PT Berlian Laju Tanker Tbk
and its subsidiaries

Consolidated financial statements
As of December 31, 2013
and for the year then ended
with independent auditors' report

PT BERLIAN LAJU TANKER Tbk

" Delivers with Safety, Competitiveness and Timeliness "

DIRECTORS' STATEMENT LETTER
RELATING TO THE RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

PT BERLIAN LAJU TANKER TBK AND ITS SUBSIDIARIES (GROUP)

We, the undersigned:

1.	Name	:	Siana Anggraeni Surya
	Office Address	:	Wisma BSG Lantai 10 Jl. Abdul Muis No. 40 Jakarta Pusat 10160
	Phone Number	:	62 - 21- 30060300
	Position	:	President Director

states that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of the Group;
2. The consolidated financial statements of the Group have been prepared and presented in conformity with International Financial Reporting Standards; except for the matters that are explained in the independent auditors' report dated October 8, 2014;
3. a. All information contained in the consolidated financial statements of the Group is complete and correct;

   b. The consolidated financial statements of the Group do not contain misleading material information or facts, and do not omit material information and facts;
4. We are responsible for the Group's internal control system.

This statement has been made truthfully.

Jakarta, October 8, 2014

President Director

(Siana Anggraeni Surya)

Head Office :
Wisma BSG 10th Floor
Jl. Abdul Muis No. 40
Jakarta 10160 INDONESIA
P : +62 21 30060300
F : +62 21 30060390

www.blt.co.id

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2013 AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

Table of Contents

	Page
Independent Auditors' Report	
Consolidated Statement of Financial Position	1-2
Consolidated Statement of Comprehensive Income	3-4
Consolidated Statement of Changes in Capital Deficiency	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7-125

****

Purwantono, Suherman & Surja

Indonesia Stock Exchange Building
Tower 2, 7th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia

Tel : +62 21 5289 5000
Fax: +62 21 5289 4100
ey.com/id

Independent Auditors' Report

Report No. RPC-6467/PSS/2014

The Stockholders, Board of Commissioners and Directors
PT Berlian Laju Tanker Tbk and Subsidiaries

We have audited the accompanying consolidated financial statements of PT Berlian Laju Tanker Tbk ("the Company") and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2013, and the consolidated statements of comprehensive income, changes in capital deficiency, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

EY
Building a better working world

Independent Auditors' Report (continued)

Report No. RPC-6467/PSS/2014 (continued)

Basis for qualified opinion

(i) As disclosed in Note 6 to the accompanying consolidated financial statements, the Company deconsolidated all assets, liabilities, non-controlling interest and accumulated comprehensive income recognized in capital deficiency from its investment in PT Buana Listya Tama Tbk (BULL) based on the unaudited interim consolidated financial statements of BULL and its subsidiaries as of March 31, 2013 and for the three-month period then ended. Management represented to us that there were no audited interim consolidated financial statements of BULL as of March 31, 2013 and for the three-month period then ended. Consequently, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Company's investment in BULL as of March 31, 2013 (prior to the deconsolidation). We were also unable to determine whether any adjustment to the amounts in BULL's unaudited interim consolidated financial statements will result in adjustments to the loss recognized on the loss of control of BULL which amounted to US$41.4 million and the amounts, including the related notes, in the consolidated statement of comprehensive income, with regard to the financial performance of BULL for the three-month period ended March 31, 2013 which were consolidated in the 2013 consolidated statement of comprehensive income of the Company and its subsidiaries' (collectively referred to as "the Group").

(ii) As disclosed in Note 6 to the accompanying consolidated financial statements, the Group indicated an impairment on available-for-sale financial asset of its investment in Nevaeh Limited in 2012 and 2011. The Group had not finalized the impairment calculation of this investment as of December 31, 2012. The Group completed its impairment calculation on the investment in 2013. However, the Group was unable to allocate the amount of impairment loss to 2013, 2012 and 2011 and decided to charge all of the accumulated impairment loss amounting to US$24.0 million to 2013. Consequently, we were unable to satisfy ourselves through our audit procedures the portion of the impairment loss which should be allocated to the 2013, 2012 and 2011 profit or loss.

(iii) We were unable to obtain the confirmation reply for the amount due to a related party amounting to US$89.3 million as of December 31, 2013. As discussed in Note 40 to the accompanying consolidated financial statements, the Group and the related party were still in the reconciliation process for the balance due to such related party. We were unable to satisfy ourselves through other auditing procedures on the balance, completeness and related notes of the amount due to such related party as of December 31, 2013. As a result, we were unable to determine whether any adjustment to the amount was necessary.

(iv) As disclosed in Note 27 to the accompanying consolidated financial statements, the Company had not yet finalized its 2013 corporate income tax and deferred tax calculation as of the date of the completion of the consolidated financial statements for the year ended December 31, 2013. As a result, we were unable to satisfy ourselves through other auditing procedures with the calculations of the Company's current and deferred income tax and the related income tax accounts for the fiscal year 2013 including the related notes to the 2013 consolidated financial statements.

EY
Building a better working world

Independent Auditors' Report (continued)

Report No. RPC-6467/PSS/2014 (continued)

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Berlian Laju Tanker Tbk and its subsidiaries as of December 31, 2013, and their consolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of matter

(i) We draw attention to Note 23 to the consolidated financial statements for which the Company is unable to determine the additional new shares that will be issued to certain U.S. Dollar Bondholders as provided in the Restructuring Plan since BULL has not yet finalized its restructuring process. The accompanying 2013 consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty. Our opinion is not qualified with respect to this matter.

(ii) We draw attention to Note 24 to the consolidated financial statements whereby, the amounts of claims from the termination of certain vessels lease contracts are still under adjudication process. As of the completion date of the consolidated financial statements, the adjudication process is not yet completed. The accompanying 2013 consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty. Our opinion is not qualified with respect to this matter.

(iii) The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern. As discussed in Note 47 to the consolidated financial statements, the Group has been experiencing recurring losses and has negative working capital and capital deficiency amounting to US$65.0 million and US$1.1 billion, respectively, as of December 31, 2013. On January 26, 2012, the Company decided to temporarily cease repayment of all its bank loans and bonds, the payments on fleet leases and similar obligations of its other subsidiaries, except for BULL, due to financial difficulties faced by the Group. Following the debt standstill announcement, events of default were declared by creditors and one of the Company's creditors, PT Bank Mandiri Tbk, filed Suspension of Debt Payment Obligation (PKPU) on June 14, 2012 to the Central Jakarta Commercial Court against the Company in relation to its debt.

The Restructuring Plan was approved by the Company's creditors on March 14, 2013 and ratified by the Central Jakarta Commercial Court on March 22, 2013 as described in Note 44 to the consolidated financial statements. Also, certain creditors of the Group convened and agreed to the schemes of arrangement granted by the Singapore Court under section 210 (10) of the Singapore Companies Act. In addition, the Company obtained recognition of the Indonesian PKPU proceedings as the main foreign proceedings in the United States. The Company is still in the process of obtaining recognition of the Restructuring Plan in the United States under Chapter 15 of the United States Bankruptcy Code as described in Notes 43 and 44 to the consolidated financial statements. The Group's continuation as a going concern is dependent upon its ability to generate sufficient cash flows to meet its obligations on a timely basis, to comply with the terms and conditions of the Restructuring Plan, and ultimately to attain profitable operations and improve the position of the Company's capital deficiency. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans with regard to these matters are also described in Note 47 to the consolidated financial statements. The accompanying consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

EY
Building a better working world

Independent Auditors' Report (continued)

Report No. RPC-6467/PSS/2014 (continued)

Other Matter

(i) The consolidated financial statements of PT Berlian Laju Tanker Tbk and its subsidiaries as of December 31, 2012 and for the year then ended were audited by other independent auditors who expressed a qualified opinion in their report dated December 16, 2013 (September 25, 2014 in relation to the reissuance of the 2012 consolidated financial statements) on those statements with an emphasis of matter paragraph regarding the going concern of PT Berlian Laju Tanker Tbk and its subsidiaries. The qualifications stated in the 2012 independent auditors' report are as follows:

1. The predecessor primary auditors had no access to certain subsidiaries' management and auditors, including their audit documentation, of which the financial statements reflect total assets constituting 0.0012% of consolidated total assets as of December 31, 2012 and loss for the year constituting 1.94% of the consolidated total loss for the year then ended.

2. Management had not yet finalized the impairment calculations on the available-for-sale financial asset of investment in Nevaeh Limited at the end of the reporting periods for 2012 and 2011.

3. The predecessor primary auditors were not able to satisfy themselves through auditing procedures regarding the liability arising from the terminations of vessel lease contracts in 2012 amounting to US$227.9 million, including whether any related contingent liability was properly recorded and disclosed in the 2012 consolidated financial statements.

4. The predecessor primary auditors were not able to obtain reasonable assurance on the recognition of loss on derivative transactions in 2012.

(iii) The accompanying consolidated financial statements, which are prepared under International Financial Reporting Standards, are issued in relation to the listing of the Company's equity securities on the Singapore Exchange Securities Limited.

(iii) We have also reported separately on the consolidated financial statements of the Group for the same periods presented in accordance with Indonesian Financial Accounting Standards in relation to the listing of the Company's equity securities on the Indonesian Stock Exchange.

Purwantono, Suherman & Surja

Benyanto Suherman
Public Accountant Registration No. AP.0685

October 8, 2014

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2013
(Expressed in United States dollar, unless otherwise stated)

	Notes	December 31, 2013 US$'000	December 31, 2012 US$'000
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	2k, 2n, 5	642,933	804,929
Available-for-sale (AFS) financial assets	2f, 6, 45	62,601	34,302
Investment in associates and joint venture	2j, 2n, 8	24,876	11,088
Restricted cash	2f, 2g, 9, 45	9,168	9,150
Deferred tax assets	2u, 27	-	1,040
Goodwill	2m, 2n, 10	-	11,441
Other non-current assets	2f, 45	307	323
TOTAL NON-CURRENT ASSETS		**739,885**	**872,273**
CURRENT ASSETS			
Inventories	2h, 11	9,835	14,860
Trade accounts receivable:			
Related parties	2d, 2f, 12, 40, 45	-	241
Third parties	2f, 12, 45	17,809	52,727
Other receivables	2f, 45	6,439	9,225
Prepaid expenses and taxes	2i	10,253	11,521
Advances		3,938	6,679
Restricted cash	2f, 2g, 9, 45	-	9,895
Cash and cash equivalents	2f, 2g, 13, 45	20,272	11,293
Total		**68,546**	**116,441**
Non-current assets classified as held-for-sale	20, 7	-	135,008
TOTAL CURRENT ASSETS		**68,546**	**251,449**
TOTAL ASSETS		**808,431**	**1,123,722**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2013
(Expressed in United States dollar, unless otherwise stated)

	Notes	December 31, 2013	December 31, 2012
		US$'000	US$'000
CAPITAL DEFICIENCY AND LIABILITITES			
CAPITAL DEFICIENCY			
Share capital	1b, 14	109,575	109,575
Additional paid-in capital	1b, 15	136,141	136,141
Other capital reserves	44	25,153	-
Treasury shares	16	(6,516)	(6,516)
Difference arising from changes of equity of subsidiaries and effect of transactions with non-controlling interests	2s, 17	7,787	7,787
Reserves	2e, 2k, 18	22,872	22,382
Deficit	19	(1,424,972)	(1,610,955)
Capital deficiency attributable to Owners of the Company		**(1,129,960)**	**(1,341,586)**
Non-controlling interests	2c, 20	**-**	**71,547**
NET CAPITAL DEFICIENCY		**(1,129,960)**	**(1,270,039)**
NON-CURRENT LIABILITIES			
Long-term liabilities - net of current maturities:			
Loans payable	2p, 21, 44, 45	706,302	114,869
Bonds payable	2p, 22, 44, 45	224,887	-
Notes payable	2p, 23, 44, 45	363,911	-
Other payables	2p, 24, 44, 45	202,689	-
Obligations under finance lease	2p, 25, 44, 45	197,976	242,070
Provision for post-employment benefits	2q, 26	2,539	6,424
Deferred tax liabilities	2u, 27	17,259	-
Due to a related party	2d, 2p, 40, 45	89,309	-
TOTAL NON-CURRENT LIABILITIES		**1,804,872**	**363,363**
CURRENT LIABILITIES			
Short-term loans	2p, 21, 44, 45	-	48,923
Trade accounts payable:			
Related parties	2d, 2p, 28, 40, 45	4,512	4,932
Third parties	2p, 28, 45	43,673	76,640
Accrued expenses	2p, 2r, 29, 44, 45	20,623	129,990
Loans payable	2p, 21, 24, 44, 45	26,513	611,123
Bonds payable	2p, 22, 44, 45	-	138,573
Obligations under finance lease	2p, 25, 44, 45	15,302	13,873
Provisions	2p, 2r, 30, 45	7,113	-
Other payables	2p, 24, 44, 45	7,193	301,167
Convertible bonds	2p, 22, 31, 44, 45	-	173,899
Notes Payable	2p, 23, 44, 45	-	400,000
Dividends payable	2p, 45	-	552
Derivative financial instruments	2p, 21, 24, 44, 45	-	126,468
Taxes payable	2u, 27	1,482	1,207
Other current liabilities	2p, 45	7,108	3,051
TOTAL CURRENT LIABILITIES		**133,519**	**2,030,398**
TOTAL LIABILITIES		**1,938,391**	**2,393,761**
TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY		**808,431**	**1,123,722**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2013
(Expressed in United States dollar, unless otherwise stated)

	Notes	For the Year Ended December 31, 2013 US$'000	2012 US$'000
OPERATING REVENUES	2t, 32	**329,460**	**452,796**
VOYAGE EXPENSES	2t, 33	**(156,712)**	**(236,930)**
OPERATING REVENUES AFTER VOYAGE EXPENSES		**172,748**	**215,866**
Ship operating expenses	2t, 34	(71,307)	(120,570
Vessel depreciation	2k, 2t, 5	(46,083)	(70,010)
Charter expenses	2t	(16,680)	(27,003)
GROSS PROFIT (LOSS)		**38,678**	**(1,717)**
Administrative expenses	2t, 35	(48,199)	(37,988)
Gain on debt restructuring	21, 22, 23, 24, 31	317,070	-
Foreign exchange gain - net	2e	53,565	53,104
Share in profits of associates and joint venture	2j, 8	13,788	6,071
Gain on extinguishment of debt	6	3,750	-
Other losses - net	2t, 36	(81,567)	(653,380)
INCOME (LOSS) BEFORE INTEREST AND TAX		**297,085**	**(633,910)**
Interest income	2t, 37	142	400
Finance cost	2t, 38	(99,328)	(177,577)
INCOME (LOSS) BEFORE INCOME TAX		**197,899**	**(811,087)**
INCOME TAX EXPENSE - NET	2u, 27	**(19,488)**	**(1,298)**
INCOME (LOSS) FOR THE YEAR		**178,411**	**(812,385)**
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will not be reclassified to profit or loss in subsequent periods:			
Net increase (decrease) in revaluation reserves of vessels	2k, 5, 18	10,098	(43,736)
Deferred income tax related to revaluation of vessels	2k, 27	(1,684)	3,678
Actuarial gain on post-employment benefits	2q, 2u, 26	1,200	-
Deferred income tax related to actuarial gain on post-employment benefits	2q, 2u, 27	(300)	-
Subtotal		**9,314**	**(40,058)**
Item that will be reclassified to profit or loss in subsequent periods:			
Decrease in fair value of AFS financial asset	2f, 6	-	(9)
Financial statement translation	2e, 18	(296)	(1,717)
Subtotal		**(296)**	**(1,726)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**9,018**	**(41,784)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**187,429**	**(854,169)**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the Year Ended December 31, 2013
(Expressed in United States dollar, unless otherwise stated)

	Notes	For the Year Ended December 31, 2013	2012
		US$'000	US$'000
Income (loss) for the year attributable to:			
Owners of the Company		177,496	(811,944)
Non-controlling interests	2c, 20	915	(441)
Total		178,411	(812,385)
Total comprehensive income (loss) for the year attributable to:			
Owners of the Company		185,443	(848,657)
Non-controlling interests	2c, 20	1,986	(5,512)
Total		187,429	(854,169)
BASIC INCOME (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (in full amount)	2v, 39	0.015	(0.070)
DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (in full amount)	2v, 39	0.012	(0.070)

The accompanying notes to the consolidated financial statements form
an integral part of these consolidated financial statements taken as a whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
For the Year Ended December 31, 2013
(Expressed in United States dollar, unless otherwise stated)

	Attributable to Owners of the Company													
						Reserves (Note 18)								
	Share capital (Note 14)	Additional paid-in capital (Note 15)	Other capital reserves (Note 44)	Treasury shares (Note 16)	Difference arising from changes in equity of subsidiaries and effect of transactions with non-controlling interests (Note 17)	Revaluation reserves	Cumulative actuarial gain on post-employment benefits (Note 2)	Investments revaluation	Financial statements translation	General reserves	Deficit	Total	Non-controlling interests (Note 20)	Net capital deficiency
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance per January 1, 2012	**109,575**	**136,141**	**-**	**(6,516)**	**22,577**	**51,968**	**-**	**9**	**1,548**	**5,898**	**(799,339)**	**(478,139)**	**63,524**	**(414,615)**
Loss for the year	-	-	-	-	-	-	-	-	-	-	(811,944)	(811,944)	(441)	(812,385)
Other comprehensive loss	-	-	-	-	-	(34,987)	-	(9)	(1,717)	-	-	(36,713)	(5,071)	(41,784)
Total comprehensive loss	-	-	-	-	-	(34,987)	-	(9)	(1,717)	-	(811,944)	(848,657)	(5,512)	(854,169)
Disposal of a subsidiary	-	-	-	-	(8,289)	-	-	-	-	-	-	(8,289)	23,153	14,864
Loss of control of a subsidiary	-	-	-	-	92	-	-	-	-	-	-	92	(7,917)	(7,825)
Share ownership of non-controlling interests in a new subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	7	7
Change in share ownership of a subsidiary from direct share ownership to indirect share ownership	-	-	-	-	(2,439)	-	-	-	-	-	-	(2,439)	2,439	-
Exchangeable notes recognition as additional investment in shares of a subsidiary	-	-	-	-	(4,154)	-	-	-	-	-	-	(4,154)	(4,147)	(8,301)
Transfer to deficit	-	-	-	-	-	(328)	-	-	-	-	328	-	-	-
Balance per December 31, 2012	**109,575**	**136,141**	**-**	**(6,516)**	**7,787**	**16,653**	**-**	**-**	**(169)**	**5,898**	**(1,610,955)**	**(1,341,586)**	**71,547**	**(1,270,039)**
Income for the year	-	-	-	-	-	-	-	-	-	-	177,496	177,496	915	178,411
Other comprehensive income (loss)	-	-	-	-	-	7,343	900	-	(296)	-	-	7,947	1,071	9,018
Total comprehensive income (loss)	-	-	-	-	-	7,343	900	-	(296)	-	177,496	185,443	1,986	187,429
Equity to be issued to creditor	-	-	25,153	-	-	-	-	-	-	-	-	25,153	-	25,153
Reversal of dividends payable	-	-	-	-	-	-	-	-	-	-	438	438	-	438
Transfer to deficit	-	-	-	-	-	(686)	-	-	-	-	686	-	-	-
Loss of control of subsidiaries	-	-	-	-	-	(7,363)	-	-	592	-	7,363	592	(73,533)	(72,941)
Balance per December 31, 2013	**109,575**	**136,141**	**25,153**	**(6,516)**	**7,787**	**15,947**	**900**	**-**	**127**	**5,898**	**(1,424,972)**	**(1,129,960)**	**-**	**(1,129,960)**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013
(Expressed in United States dollar, unless otherwise stated)

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	329,382	490,916
Cash paid to suppliers and employees	(284,049)	(406,203)
Interest paid	(38,865)	(86,868)
Income tax paid	(206)	(799)
Interest received	142	395
Receipts from insurance claim	32	1,251
Net cash provided by (used in) operating activities	**6,436**	**(1,308)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in restricted cash	9,877	(9,929)
Net proceeds from sale of fixed assets	6,667	114,858
Acquisitions of fixed assets	(4,408)	(9,539)
Proceeds from other financial assets	-	331
Net cash provided by investing activities	**12,136**	**95,721**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	10,000	3,600
Payments of obligations under finance lease	(13,873)	(13,873)
Payments of loans	-	(90,486)
Net cash used in financing activities	**(3,873)**	**(100,759)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**14,699**	**(6,346)**
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(76)**	**133**
CASH AND CASH EQUIVALENTS OF DECONSOLIDATED SUBSIDIARIES	**(5,644)**	**(2,804)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**11,293**	**20,310**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**20,272**	**11,293**

Supplementary information on non-cash activities are disclosed in Note 46 to the consolidated financial statements.

The accompanying notes to the consolidated financial statements form
an integral part of these consolidated financial statements taken as a whole.

1. GENERAL

a. General information

PT Berlian Laju Tanker Tbk (the "Company") was established on March 12, 1981 under the name PT Bhaita Laju Tanker. The Company's name was changed to PT Berlian Laju Tanker on September 5, 1988. The Company was incorporated and domiciled in Jakarta, and has two branches in Merak and Dumai. Its head office is located at Wisma Bina Surya Group (BSG), 10th Floor, Jl. Abdul Muis No. 40, Jakarta.

The Company's scope of activities consists of local and overseas shipping, including but not limited to tanker, barges and tugboat operations. The Company started its commercial operations in 1981. Presently, the Company provides shipping services for liquid cargo transportation in Asia, Europe and America.

The Company's ultimate parent company is PT Bagusnusa Samudra Gemilang (Bagusnusa).

b. Public offering of shares, bonds and notes payable

Shares

The Company's public offering of 2,100,000 shares through the Indonesia Stock Exchange, at a price of Rp8,500 per share, was approved by the Ministry of Finance of the Republic of Indonesia on January 22, 1990. These shares were listed in the Indonesia Stock Exchange on March 26, 1990.

On January 27, 1993, the Company obtained the notice of effectivity from the Chairman of the Capital Market Supervisory Agency (Bapepam) (currently Otoritas Jasa Keuangan) for the Company's Rights Issue I to the shareholders totaling 29,400,000 shares at a price of Rp1,600 per share. These shares were listed in the Jakarta and Surabaya Stock Exchanges on May 24, 1993.

On December 26, 1997, the Company obtained the notice of effectivity from the Chairman of Bapepam for the Company's Rights Issue II with pre-emptive right to shareholders totaling 305,760,000 shares with 61,152,000 warrants at an exercise price of Rp1,200 per warrant. Each warrant was entitled to purchase one share from July 16, 1998 to January 20, 2003. Based on the addendum to the statements of warrant issuance which was notarized on October 17, 2002, the Company decided to extend the period to exercise the warrants for five (5) years or until January 18, 2008. The shares were listed in the Jakarta and Surabaya Stock Exchanges (currently Indonesia Stock Exchange [BEI]) on January 16, 1998.

On December 18, 2000, the Company obtained the notice of effectivity from the Chairman of Bapepam for the Company's Rights Issue III with pre-emptive right to shareholders totaling 61,152,000 shares. The Company issued 53,958,150 new common shares with nominal value of Rp500 per share at an exercise price of Rp1,100 per share.

The Company conducted a stock split of 4:1 in 2002 and 2:1 in 2004. Thus, the exercise price of the warrants became Rp150 per share since 2005.

On September 22, 2006, the Company obtained eligibility to list all of its shares in the Singapore Exchange Securities Limited (SGX) Mainboard from SGX. In line with the Company's listing of shares, the Company also amended certain provisions of its Articles of Association, which amendments were approved by the shareholders in the Extraordinary Shareholders' Meeting held on September 11, 2006.

On June 29, 2009, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's rights issue IV with pre-emptive rights to shareholders. In connection with such rights issue, the Company issued 1,392,310,059 new common shares at an exercise price of Rp425 per share.

1. GENERAL (continued)

b. Public offering of shares, bonds and notes payable (continued)

Shares (continued)

On June 30, 2010, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's Rights Issue V with pre-emptive rights to shareholders. In connection with such rights issue, the Company issued 5,569,240,235 new common shares at an exercise price of Rp220 per share.

All 11,550,831,470 issued shares of the Company are listed in the BEI and SGX (Note 14). On January 24, 2012, the Company requested temporary suspension of trading on both stock exchanges on grounds of future disclosure of material information that may affect investors' decision. On January 25, 2012, the BEI and SGX suspended the trading of the Company's securities until further notice by the Company. On January 26, 2012, the Company announced the debt standstill to temporarily cease debt payments.

In March and June 2014, the Company requested for extension of the trading suspension due to on-going audit process of the 2013 consolidated financial statements.

As of the issuance date of these consolidated financial statements, the Company has not resumed trading on both stock exchanges.

Bonds and notes payable

On May 4, 2007 and May 17, 2007, BLT Finance B.V., a subsidiary, issued US$400.0 million 7.5% Guaranteed Senior Notes due in 2014 and US$125.0 million Zero Coupon Guaranteed Convertible Bonds due in 2012, which were both registered in SGX (Notes 23 and 31).

On June 25, 2007, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's public offering of 2007 Berlian Laju Tanker III Bonds amounting to Rp700.0 billion with fixed interest rate and 2007 Sukuk Ijarah bonds amounting to Rp200.0 billion (Note 22).

On May 15, 2009, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK the Company's public offering of 2009 Berlian Laju Tanker IV Bonds amounting to Rp400.0 billion and 2009 Sukuk Ijarah II bonds amounting to Rp100.0 billion (Note 22).

On February 10, 2010 and March 29, 2010, BLT International Corporation, a subsidiary, issued 12.0% Guaranteed Convertible Bonds due in 2015 totaling US$100.0 million and US$25.0 million, respectively (Note 31).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Except for the consolidated statement of cash flows, the consolidated financial statements have been prepared using the accrual basis. The measurement basis used is historical cost, except for certain accounts which are measured on the basis as described in the related accounting policies.

The consolidated statement of cash flows which has been prepared using the direct method, classifies cash receipts and cash disbursements into operating, investing and financing activities.

The reporting currency used in the preparation of the consolidated financial statements is the United States dollar (US$), which is also the Company's functional currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of consolidated financial statements (continued)

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements are issued in relation to the listing of the Company's equity securities in the Singapore Exchange Securities Limited.

In connection with the Company's listing of shares in the Indonesia Stock Exchange (IDX), the Company issued separate consolidated financial statements prepared under Indonesian Financial Accounting Standards (PSAK).

b. Changes in accounting policies and disclosures

The accounting policies adopted by the Group are consistent with those of the previous year, except for the adoption of new and amended accounting standards that became effective beginning January 1, 2013. Except as otherwise indicated, the adoption of these standards and amendments did not have an impact on the Group's financial statements. The nature and the impact of each new standard and amendment are described as follows:

- *IFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments)* - These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with *IAS 32, Financial Instruments: Presentation*. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

  a. The gross amounts of those recognized financial assets and recognized financial liabilities;

  b. The amounts that are set off in accordance with the criteria in IAS 32 when determining the net amounts presented in the consolidated statement of financial position;

  c. The net amounts presented in the consolidated statement of financial position;

  d. The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
     a. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in IAS 32; and
     b. Amounts related to financial collateral (including cash collateral); and

  e. The net amount after deducting the amounts in (d) from the amounts in (c) above.

  The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- *IFRS 10, Consolidated Financial Statements* - IFRS 10 replaced the portion of *IAS 27, Consolidated and Separate Financial Statements*, that addressed the accounting for consolidated financial statements. It also included the issues raised in *Standard Interpretations Committee (SIC) 12, Consolidation - Special Purpose Entities*. IFRS 10 established a single control model that applied to all entities including special-purpose entities. The changes introduced by IFRS 10 require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

- *IFRS 11, Joint Arrangements*, IFRS 11 replaced *IAS 31, Interests in Joint Ventures*, and *SIC 13, Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. IFRS 11 removed the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method.

- IFRS 12, *Disclosure of Interests in Other Entities* - IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries (for example, where a subsidiary is controlled with less than a majority of voting rights).

- IFRS 13, *Fair Value Measurement* - IFRS 13 establishes a single source of guidance under IFRSs for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price. IFRS 13 also requires additional disclosures.

  As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. The Group has assessed that the application of IFRS 13 has no material impact in the fair value measurements of the Group.

- *IAS 1, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (OCI) (Amendments)* - The amendments to IAS 1 introduced a grouping of items presented in OCI. Items that will be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group's financial position or performance.

- *IAS 19, Employee Benefits (Revised)* - For defined benefit plans, the Revised IAS 19 requires all actuarial gains and losses to be recognized in OCI and unvested past service costs previously recognized over the average vesting period to be recognized immediately in profit or loss when incurred.

  Prior to adoption of the Revised IAS 19, the Group recognized actuarial gains and losses as income or expense when the net cumulative unrecognized gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognized unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested.

  Upon adoption of the Revised IAS 19, the Group changed its accounting policy to recognize all actuarial gains and losses in OCI and all past service costs in profit or loss in the period they occur.

  The Revised IAS 19 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset which is calculated by multiplying the net statement of financial position defined benefit liability or asset by the discount rate used to measure the employee benefit obligation, each as at the beginning of the annual period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

The Revised IAS 19 also amended the definition of short-term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits. In addition, the Revised IAS 19 modifies the timing of recognition for termination benefits. The modification requires the termination benefits to be recognized at the earlier of when the offer cannot be withdrawn or when the related restructuring costs are recognized.

Changes to definition of short-term employee benefits and timing of recognition for termination benefits do not have significant impact to the Group's financial position and financial performance. The result of changes is further discussed in Note 2z.

- *IAS 27*, *Separate Financial Statements (as revised in 2011)* - As a consequence of the issuance of the new *IFRS 10, Consolidated Financial Statements*, and *IFRS 12, Disclosure of Interests in Other Entities*, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements.

- *IAS 28, Investments in Associates and Joint Ventures (as revised in 2011)* - As a consequence of the issuance of the new *IFRS 11, Joint Arrangements*, and *IFRS 12, Disclosure of Interests in Other Entities*, IAS 28 has been renamed *IAS 28, Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates.

- *International Interpretation IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine* - This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. This new interpretation is not relevant to the Group.

- *IFRS 1, First-time Adoption of International Financial Reporting Standards - Government Loans (Amendments)* - The amendments to IFRS 1 require first-time adopters to apply the requirements of *IAS 20, Accounting for Government Grants and Disclosure of Government Assistance*, prospectively to government loans existing at the date of transition to IFRS. However, entities may choose to apply the requirements of *IAS 39, Financial Instruments: Recognition and Measurement*, and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for those loans. These amendments are not relevant to the Group.

Annual Improvements to IFRS (2009-2011 cycle)
The Annual Improvements to IFRSs (2009-2011 cycle) contain non-urgent but necessary amendments to IFRSs. The Group adopted these amendments for the current year. Except as otherwise indicated, the adoption of these amendment did not have an impact on the Group's financial statements.

- *IFRS 1, First-time Adoption of IFRS - Borrowing Costs, Effective date, January 1, 2013* - The amendment clarifies that, upon adoption of IFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening consolidated statement of financial position at the date of transition. Subsequent to the adoption of IFRS, borrowing costs are recognized in accordance with *IAS 23, Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of IFRS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

- *IAS 1, Presentation of Financial Statements - Clarification of the requirements for comparative information* - These amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the statement of financial position (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. As a result, the Group has included comparative information in respect of the opening financial position as at January 1, 2012. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- *IAS 16, Property, Plant and Equipment - Classification of servicing equipment* – The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment has no material impact on the Group's financial position or performance.

- *IAS 32, Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments* - The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with *IAS 12, Income Taxes*. The amendment has no material impact on the Group's financial position or performance.

- *IAS 34, Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities* - The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

Standards issued but not yet effective
The Group intends to adopt the following standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have significant impact on the financial statements.

- *IAS 36, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendments)* - These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided IFRS 13 is also applied. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*, - These amendments are effective for annual periods beginning on or after January 1, 2014. They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss (FVPL).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

- International Interpretation *IFRIC 21, Levies (IFRIC 21)* - IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

- *IAS 39, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendments)* - These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014.

- *IAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)* - The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the application of IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneously. The amendments to IAS 32 affect presentation only and have no impact on the Group’s financial position or performance.

- *IAS 19, Employee Benefits - Defined Benefit Plans: Employee Contributions (Amendments) -* The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the re-measurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to IAS 19 are to be retrospectively applied for annual periods beginning on or after July 1, 2014.

<u>Annual Improvements to IFRSs (2010-2012 cycle)</u>
The Annual Improvements to IFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

- *IFRS 2, Share-based Payment - Definition of Vesting Condition* - The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014. This amendment does not apply to the Group as it has no share-based payments.

- *IFRS 3, Business Combinations - Accounting for Contingent Consideration in a Business Combination* - The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with IAS 32. Contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9, Financial Instruments, (or IAS 39, if IFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Group shall consider this amendment for future business combinations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

- *IFRS 8, Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets* - The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- *IFRS 13, Fair Value Measurement - Short-term Receivables and Payables* - The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment has no impact on the Group's financial position or performance.

- *IFRS 14 Regulatory Deferral Accounts*, permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for "regulatory deferral account balances" in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of comprehensive income, and specific disclosures are required. IFRS 14 was originally issued in January 2014 and applies to an entity's first annual IFRS financial statements for a period beginning on or after January 1, 2016.

- IFRS 15, *Revenue from Contracts with Customers*, establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of fixed assets or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard will apply to annual periods beginning on or after January 1, 2017. Early adoption is permitted under IFRS. Entities will transition following either a full retrospective approach or a modified retrospective approach. The modified approach will allow the standard to be applied to existing contracts beginning with the current period. No restatement of the comparative periods will be required under this approach, as long as comparative disclosures about the current period's revenues under existing IFRS are included.

- *IAS 16, Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation* - The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses; or

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

(ii) The accumulated depreciation is eliminated against the gross carrying amount of the asset.

The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment has no impact on the Group's financial position or performance.

- *IAS 24, Related Party Disclosures - Key Management Personnel* - The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- *IAS 38, Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Amortization* - The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.

  (ii) The accumulated amortization is eliminated against the gross carrying amount of the asset.

  The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard. The amendments are effective for annual periods beginning on or after July 1, 2014. The amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments have no impact on the Group's financial position or performance.

Annual Improvements to IFRSs (2011-2013 cycle)
The Annual Improvements to IFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

- *IFRS 1, First-time Adoption of International Financial Reporting Standards – Meaning of "Effective IFRSs"* - The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment is not applicable to the Group as it is not a first-time adopter of IFRS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

- *IFRS 3, Business Combinations – Scope Exceptions for Joint Arrangements* - The amendment clarifies that IFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no impact on the Group's financial position or performance.

- *IFRS 13, Fair Value Measurement – Portfolio Exception* - The amendment clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Group's financial position or performance.

- *IAS 40, Investment Property* - The amendment clarifies the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of IFRS 3. This judgment is based on the guidance of IFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Group's financial position or performance.

- *IFRS 9, Financial Instruments* - IFRS 9, as issued, reflects the first and third phases of the project to replace IAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still on-going, with a view to replace IAS 39 in its entirety. IFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at FVPL. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held-for-trading must be measured at FVPL. For liabilities designated as at FVPL using the fair value option, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 classification and measurement requirements for financial liabilities have been carried forward to IFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

  On hedge accounting, IFRS 9 replaces the rules-based hedge accounting model of IAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies and disclosures (continued)

only for financial items, but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. IFRS 9 also requires more extensive disclosures for hedge accounting.

IFRS 9 currently has no mandatory effective date. IFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Group will not adopt the standard before the completion of the limited amendments and the second phase of the project.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2013 (including special-purpose entities). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and

- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investeee;

- Rights arising from other contractual arrangements; and

- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of the subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. Total comprehensive income (loss) is attributed to the Owners of the Company and to non-controlling interests even if it results in the non-controlling interests account having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated during consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over the subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets and liabilities.

Changes in the Group's ownership interests in an existing subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in capital deficiency and attributed to the owners of the Company. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition.

Non-controlling interests in subsidiaries are identified separately and presented within capital deficiency. For each business combination, the Group elects whether to measure the non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. Subsequent to the date of business combination, the carrying amount of non-controlling interests is adjusted for the non-controlling interests' share of subsequent changes in equity of the subsidiary.

d. Transactions with related parties

An individual or family member is related to the Group if it:

a) has control or joint control over the Group;
b) has significant influence over the Group; or
c) is a member of the key management personnel of the Group or the parent of the Company.

A party is considered to be related to the Group if:

a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control of the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
b) the party is an associate of the Group;
c) the party is a joint venture in which the Group is a venturer;
d) the party is a member of the key management personnel of the Group;
e) the party is a close member of the family of any individual referred to in (a) or (d);

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Transactions with related parties (continued)

A party is considered to be related to the Group if (continued):

f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Related party transactions are entered into based on terms agreed by the related parties. Such terms may not be the same as those of the transactions between unrelated parties. All transactions and balances with related parties are disclosed in the notes to the consolidated financial statements.

e. Foreign currencies

The individual financial statements of each of the consolidated entities are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the financial performance and financial position of each entity are expressed in US$, which is the Group's functional currency and presentation currency in the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currency) are recognized using their respective functional currency spot rates at the dates the transactions first qualifies for recognition.

At the end of each reporting period, monetary items denominated in foreign currencies are translated using the functional currency spot rates at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated using the prevailing rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Exchange gains and losses arising from the translation of currencies other than the US$ are recognized in profit or loss in the period in which they arise. The conversion rates used by the Group at the end of reporting period using the middle rates published by Bank Indonesia are as follows:

	December 31, 2013	December 31, 2012
	US$'000	US$'000
Foreign currency		
Rupiah (Rp'000)	0.0820	0.1034
Singapore dollar (SGD)	0.7899	0.8177
Euro (EUR)	1.3801	1.3247
Yen (JPY)	0.0095	0.0116

For consolidation reporting purposes, assets and liabilities of entities whose functional currency is other than the US$ are translated into US$ using the foreign exchange rates at statement of financial position date, while revenues and expenses are translated at the average foreign exchange rates for the year. The resulting translation adjustments are recognized in other comprehensive income and accumulated in capital deficiency (attributed to non-controlling interests as appropriate).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Foreign currencies (continued)

When an entity whose functional currency other than US$ is sold, exchange differences that were accumulated in capital deficiency are recognized as part of the gain or loss on sale. Goodwill and fair value adjustments arising from business acquisition of a subsidiary whose functional currency is other than the US$ are treated as assets and liabilities of such entity and are translated at the closing exchange rate.

f. Financial assets

Initial recognition

The Group's financial assets are classified into financial assets as at fair value through profit or loss, loans and receivables, held-to-maturity investments, and AFS, or as derivatives designated as hedging instruments in an effective hedge. The classification depends on the nature and purpose for which the asset was acquired and is determined at the time of initial recognition. The Group has not classified any of its financial assets as held to maturity (HTM).

Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The Group's financial assets include cash and cash equivalents, restricted cash, trade accounts receivable, other receivables, other non-current assets and AFS financial assets.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit or loss ("FVTPL") include financial assets held-for-trading and financial assets designated upon initial recognition as fair value through profit or loss. Derivative assets are classified as held-for-trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with gains or losses recognized in profit or loss.

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

- AFS financial assets

  AFS financial assets are non-derivative financial assets that are designated as AFS or are not classified in any of the two preceding categories. Subsequent to initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses recognized in capital deficiency until the investment is derecognized wherein the cumulative gain or loss previously recognized in capital deficiency is reclassified to profit or loss as a reclassification adjustment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial assets (continued)

Subsequent measurement (continued)

- AFS financial assets (continued)

  Dividends on AFS equity instruments, if any, are recognized in profit or loss when the Group's right to receive the dividends is established. The fair value of AFS monetary financial assets denominated in a foreign currency is determined based on original currency and translated using the prevailing exchange rate at the end of the reporting period. The foreign exchange gains and losses recognized in profit or loss are determined based on the amortized cost of the monetary assets.

  The Group's AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.The Group's AFS include its investments in shares of BULL, Nevaeh Limited and Swank Ventures Limited (Note 6).

Derecognition of financial assets

A financial asset, or where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or

- there is transfer of the asset or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the cash flows received in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards over the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards over the asset, but has transferred the control over the asset.

When the Group has transferred its rights to receive cash flows from the asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards over the asset nor transferred the control over the asset, the Group recognizes its retained interest in the asset to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, including any new assets obtained less any new liabilities assumed, and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in capital deficiency is recognized in the consolidated statement of comprehensive income.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial assets (continued)

Derecognition of financial assets (continued)

The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash flows (including all fees and points received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) throughout the expected life of the financial asset, or a shorter period, where appropriate, to the net carrying amount at initial recognition of the financial asset.

Interest income is recognized based on effective interest method for debt instruments other than those classified as FVTPL.

Impairment of financial assets

The Group's financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred subsequent to initial recognition of the financial asset, the estimated future cash flows of the financial assets were impaired.

For the Group's listed and not listed equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be an objective evidence of impairment. The determination of what is "significant" or "prolonged" requires management judgment. The Group treats "significant" generally as 30% or more and "prolonged" as greater than 12 months for equity securities. When there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss) is removed from OCI and recognized in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized in OCI.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or probability that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial assets, such as loans and receivables, assets that are not impaired based on individual assessment are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio over the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial asset carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial assets (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced directly by the impairment loss for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance for impairment loss of receivables. When a receivable is considered uncollectible, it is written off against the allowance for impairment loss of receivables. Subsequent recoveries of amounts previously written off are credited against the impairment loss of receivables recognized in profit or loss in the period of recovery.

When a financial asset is considered to be impaired, cumulative gains or losses previously recognized as “Investment revaluation” account in capital deficiency are reclassified to profit or loss in the period of impairment.

For financial asset measured at amortized cost, if in a subsequent period, the cumulative amount of the impairment loss decreased and the decrease can be attributed to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment loss is reversed will not exceed the amortized cost of the investment had there been no impairment loss recognized.

In respect of equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value of AFS equity securities in subsequent period is recognized directly in other comprehensive income and accumulated as “investments revaluation” in capital deficiency. In respect of AFS debt securities, impairment loss are subsequently reversed through profit or loss if an increase in fair value of AFS debt securities can be attributed to an event occurring after the impairment loss was recognized.

Offsetting of financial instruments

Financial assets and liabilties are offset and the net amount is reported in the consolidated statement of financial postision if there is currently enforceable legal right to offset the recognized amounts and that there is an intention to settle on a net basis, to realize the assets simultaneously with the liabilities.

g. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and highly liquid short-term investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Cash in bank accounts which are used as security to enable the Group to use standby letters of credit from the bank are not classified as part of the “Cash and cash equivalents” account but are presented as “Restricted cash” in the consolidated statement of financial position.

h. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the “first-in, first-out” method. Net realizable value is the estimated selling price, less the estimated costs necessary to make the sale.

i. Prepaid expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Investments in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group’s investments in associates are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statements of comprehensive income reflects the Group’s share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group’s share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statements of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as “Share of profit of an associate and a joint venture” in the consolidated statements of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Fixed assets

Vessels

Owned vessels and leased vessels are stated at their revalued amount, which is the fair value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Vessels held under finance lease are depreciated over the same estimated economic useful lives with owned vessels. However, when there is no reasonable certainty that ownership of vessels will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Any revaluation increase arising on the revaluation of such vessels is credited to other comprehensive income net of deferred tax, as applicable, and accumulated in revaluation surplus in the equity section, except to the extent that it reverses an impairment loss for the same vessel which was previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent that impairment loss was recognized for the asset in prior years. Any remaining increase, net of deferred tax, as applicable, would be recognized in revaluation surplus in equity. A decrease in carrying amount arising on the revaluation of such vessels is charged to profit or loss to the extent that it exceeds the balance, if any, held in the vessels' revaluation surplus relating to a previous revaluation of such vessels.

The Group elected the policy of eliminating the accumulated depreciation of revalued assets against the gross carrying amount of the assets and the net amount restated to the revalued amount of the assets.

Depreciation of revalued vessels is charged to profit or loss. As the vessels are used, a transfer is made from revaluation reserve to deficit equivalent to the difference between depreciation based on revalued carrying amount of the vessels and depreciation based on the vessels' historical cost. On subsequent sale or retirement of a revalued vessel, the remaining revaluation surplus attributable to the vessels sold or retired is transferred directly to deficit.

The vessels' residual values, estimated useful lives and depreciation method are reviewed at each reporting date, with the effect of any change in estimate accounted for prospectively.

The gain or loss on sale or retirement of vessels is determined as the difference between the sales proceeds and carrying amount of the vessel and is recognized in profit or loss.

Dry docking cost

Included in the balance of vessels are the dry docking costs which are capitalized when incurred and are amortized on a straight-line basis over the period until the date of the next dry docking.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Fixed assets (continued)

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The Group applies the cost model in subsequent recognition for other fixed assets. Other fixed assets are depreciated using straight-line method based on the following estimated useful lives:

	Years
Buildings and premises	20
Oil tanks	10
Transportation equipment	5
Office furniture and fixtures	5
Office and dormitory equipment	5

Depreciation is recognized so as to allocate the cost of assets less their residual values over their useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each reporting date, with the effect of any change in estimate accounted for prospectively.

The costs of maintenance and repairs of other fixed assets are charged to operations as incurred. Other costs incurred subsequently to add, replace part of, or service an item of fixed assets, are recognized as asset if and only if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably.

Construction in progress is stated at cost, and is transferred to the respective fixed assets account when completed and ready for its intended use.

An item of other fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss in the period the asset is derecognized.

l. Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognized as leased assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is presented in the statement of financial position under “Obligation under finance lease” account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Leases (continued)

The Group as lessee (continued)

Lease payments are apportioned between finance charges and reduction of the lease obligation based on effective interest rate method of amortization using the implicit interest of the lease. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

m. Goodwill

Goodwill arising in a business combination is recognized as an asset at the date the control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held equity interest (if any) in the entity over the net acquisition-date amounts of the identifiable net assets acquired and the liabilities assumed.

If, after reassessment, the Group’s interest in the fair value of the acquiree’s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), is recognized immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of the subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

n. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the Group estimates the assets’ recoverable amount to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use of the asset or cash-generating unit. In assessing value in use of the asset or cash quantity unit, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at revaluation amount, in which case, the impairment loss is treated as a reduction of the revaluation amount.

A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss to be recognized in profit or loss is only up to the extent of the carrying amount of the vessel had no impairment loss been recognized for the asset in prior years. Any remaining increase, net of deferred tax, as applicable, would be recognized in revaluation reserves in capital deficiency and is treated as a revaluation increase.

o. Non-current assets classified as held-for-sale

The Group classifies asset as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For it to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

For the sale to be highly probable, appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification except if there is a delay caused by events and circumstances beyond the entity's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group). In addition, actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Group measures asset (or disposal group) classified as held-for-sale at the lower of its carrying amount and fair value less costs to sell.

p. Financial liabilities

Initial recognition

The financial liabilities of the Group are classified as either financial liabilities at fair value through profit and loss (FVTPL) or other financial liabilities. The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at FVTPL have two sub-categories: financial liabilities held-for-trading and those designated as at FVTPL on initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Financial liabilities (continued)

A financial liability is classified as held-for-trading if:

a. it has been incurred principally for the purpose of repurchasing in the near future;
b. it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability, other than a financial liability held-for-trading, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
b. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
c. it forms part of a contract containing one or more embedded derivatives, and IAS 39, permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Other financial liabilities

Other financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Financial guatantee liabilities

Financial guarantee liabilities are those arising from contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially as a liability at fair value, adjusted for directly attributable transaction costs. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

Subsequent measurement

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows throughout the expected life of the financial liability, or a shorter period, where appropriate, to the net carrying amount at initial recognition of the financial liability.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption value of the financial liability is recognized over the term of the financial liability.

The Group’s other financial liabilities comprise short-term loans, trade accounts payable, accrued expenses, loans payable, bonds payable, convertible bonds, notes payable, other payables, obligations under finance lease, dividends payable, derivative financeial instruments, other current liabilities and due to a related party.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Financial liabilities (continued)

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's liabilities are discharged, cancelled or when they expire. The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

An exchange between the Group and its creditors with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

q. Post-employment benefits

The Company and certain subsidiaries provide defined post-employment benefits to their employees in accordance with Indonesian Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions as in accordance with IAS 19 (Revised 2011).

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to deficit through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:
- The date of the plan amendment or curtailment; and
- The date that the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under employee benefits in the consolidated statements of comprehensive income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

r. Provisions

Provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Provisions (continued)

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed and recognized in profit or loss.

s. Equity instrument

Financial liabilities and equity instruments of the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. The difference between the selling price and the acquisition cost is recognized as “Difference in capital from treasury share transactions” under additional paid-in capital in equity.

t. Revenue and expense recognition

Revenues from freight operations are recognized as income with reference to the percentage of completion of the voyage as at reporting date.

Time charter revenue is recognized on accrual basis over the terms of the time charter agreements. Voyage freight is recognized over the duration of each voyage.

Revenues from agency services are recognized when the services are rendered to customers.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued based on outstanding principal using the effective interest rate method.

Expenses are recognized in the period in which they are incurred. Interest expense is accrued based on outstanding principal plus unpaid interest, using the effective interest rate method.

u. Taxation

Income tax expense - net represents the sum or the net amount of the final income tax, current tax and deferred tax.

<u>Final income tax</u>

Income tax subject to final tax is presented as part of the tax expense.

Tax expense on revenues from vessels subject to final tax is recognized proportionately based on the revenue recognized in the current year. The difference between the final income tax paid and the amount charged as final income tax in profit or loss is recognized as prepaid tax or tax payable. Prepaid final income tax is presented separately from final income tax payable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Taxation (continued)

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income due to the taxable and deductible temporary differences and permanent differences. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates income.

Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

v. Earnings/loss per share

Basic earnings/loss per share is computed by dividing income/loss for the year attributable to owners of the Company by the weighted average number of shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential shares into ordinary shares.

w. Segment information

A segment is a distinguishable component of the Group that is engaged either in providing certain products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The segment information reported is the component of the Group whose operating results are regularly reviewed by the chief operating decision maker to make decisions about allocating resources to the segment and assessing its performance.

x. Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

y. Events after the financial reporting date

Subsequent events after the end of financial reporting date that provide additional information about the Group's position at reporting period (adjusting events) are reflected in the financial statements. Subsequent events after the end of financial reporting date that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Change in accounting policy

Effective January 1, 2013, the Group has adopted International Accounting Standard 19 (Revised 2011), Employee Benefits ("IAS 19"). The revised standard (i) eliminates the "corridor approach" permitted under the previous version of IAS 19; and (ii) provides for significant changes in the recognition, presentation and disclosure of post-employment benefits, which among others are as follows:

- Actuarial gains and losses are now required to be recognized in OCI and excluded permanently from profit and loss.

- Expected return on plan assets will no longer be recognized in profit or loss. Expected returns are replaced by recognizing interest income (or expense) on the net defined benefit asset (or liability) in profit or loss, which is calculated using the discount rate used to measure the pension obligation.

- Unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service costs will be recognized at the earlier of when the amendment /curtailment occurs or when the Group recognizes related restructuring or termination costs.

Such changes are made in order that the net pension assets or liabilities are recognized in the consolidated statements of financial position to reflect the full value of the plan deficit or surplus. The impact of the above changes is immaterial to the consolidated financial statements of the Group, hence, all adjustments related to the change in accounting policy for post-employment benefits were applied prospectively.

aa. Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ab. Fair value measurements

At each balance sheet date, the Group measures financial instruments, such as AFS financial assets, at fair value and non-financial assets, such as vessels, at revalued amount. The fair values of financial instruments measured at amortized cost are disclosed in Note 45.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for fair value measurement. External valuers are involved for valuation of significant assets, such as AFS financial assets and fixed assets vessels. Involvement of external valuers is decided by management based on expert's market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, which are described in Note 2 to the consolidated financial statements, the preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the carrying amounts of assets, liabilities and the reported amounts of revenues and expenses, and accompanying disclosures. The judgments, estimates and assumptions used by management are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Judgments

The following are the critical judgments, apart from those involving estimations that the management made in the process of applying the Group's accounting policies which have the significant effect on the amounts recognized in the consolidated financial statements

Classification of leases

Management considered the transfer of risks and rewards of ownership of the vessels. When substantially all the significant risks and rewards incidental to ownership of the vessels are transferred to and rest with the lessors, the lease transactions are recognized as operating leases. The lease transactions are disclosed in Notes 5, 25 and 42.

Impairment of non-financial assets

Internal and external sources of information are reviewed at each reporting date to identify indications of impairment losses and to identify if previously recognized impairment loss on non-financial asset no longer exist or may be decreased.

If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. The Group assesses the impairment of an asset whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The factors that the Group considers upon assessment include, but not limited to, the significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the asset’s fair value less costs to sell or value in use. The recoverable amount is estimated for the individual asset or, if not possible, for the cash-generating unit to which the asset belongs.

Determination of non-current assets classified as held-for-sale

The Group determines its non-current assets classified as held for sale based on factors that affect the assets’ recoverability which include but not limited to, the completeness of the plan to sell the assets, the probability of the occurrence of sale and the length of time by which the assets are expected to be sold. The Group reviews its non-current assets and identifies which are to be classified as non-current assets held-for-sale on a continuous basis. The Group also considers other events and circumstances affecting these assets to determine if their classification is still applicable at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

a. Judgments (continued)

Estimate of provision for income taxes

The Group has exposure to income taxes in relation to the significant judgment to determine the provision for income taxes. The Group submits tax returns on the basis of self-assessment and recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. The tax authorities may assess or amend taxes within the statute of limitation under the prevailing regulations. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the current tax and deferred tax in the period in which such determination is made. The carrying amounts of the Group's prepaid tax and current tax liabilities are disclosed in Note 27.

Determination of functional currency

In determining the respective functional currencies of each of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for services and the country whose competitive forces and regulations mainly determine the sales prices of their services. The functional currencies of each entity in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices. When the indicators are mixed and the functional currency is not obvious, management should use its judgment to determine the functional currency that faithfully represents the economic effects of the underlying transactions, events and conditions.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimate of impairment losses on loans and receivables

The Group assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is objective evidence that a loss event has occurred. The Group also evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations.

In these cases, the Group uses judgment, based on available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on available data, to record specific provisions for customers against amounts due to reduce the receivable amounts that the Group expects to collect. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and assumptions (continued)

Valuation of vessels

Vessels are stated at fair value based on the valuation reviewed by management and supported by independent professional valuers. In determining fair value, a method of valuation is used which involves certain estimates, including comparisons with recent sale transactions of similar vessels.

Further information in relation to the valuation of vessels is disclosed in Note 5. Management believes that the chosen valuation techniques and assumptions used are appropriate in the determination of the fair value of vessels.

Estimate of realizability of deferred tax assets

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the projected taxable income in the following periods. This projection is based on the Company's past and future results of operations.

Estimate of provision for post-employment benefits

The present value of the provision for post-employment benefits is determined using actuarial valuations. The actuarial valuations involve making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuations, the underlying assumptions and their long-term nature, provisions for post-employment benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Determination of fair value of financial assets

The Group carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgments. The significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates). The amount of changes in fair value would differ if the Company utilized different valuation methodologies and assumptions. Any changes in the fair value of these financial assets and liabilities would directly affect profit and loss and other comprehensive income

Estimate of useful lives and residual values of fixed assets

The useful lives of the Group's fixed assets which are estimated as the period over which the asset is expected to be used are based on internal technical evaluation. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

The Group also reviews the residual values of vessels at the end of each reporting period. Significant judgment is required in determining the residual values of its vessels. The Group considers the net proceeds that would be obtained from the disposal of the assets in the resale or scrap markets, fluctuations in scrap steel prices and industry practice.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and assumptions (continued)

Estimate of useful lives and residual values of fixed assets (continued)

A change in the estimated useful life and residual value of any item of fixed asset would affect the recorded depreciation and amortization expense and the carrying value of such asset (Note 5).

Impairment of goodwill

The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows (Note 10).

Provisions

The Group has recognized provisions for certain claims as disclosed in Note 30. Management determined that the Group has obligations as a result of its various undertakings and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. Management made reliable estimate of the provisions based on known information as at reporting date. Management believes that the amount of provisions represents the best estimate that would be required to settle the obligations.

Contingencies

The Group is currently involved in various restructuring initiatives, including legal proceedings (Note 43). An estimate of the probable costs associated with these initiatives has been developed based upon an understanding of the procedures involved and likely outcomes. However, any material deviation in the expected procedures or outcomes may potentially affect the operations of the Group. The Group does not believe that such legal proceedings are likely to have any significant or adverse effect on its consolidated financial statements.

4. GROUP STRUCTURE

The consolidated financial statements include the accounts of the Company and subsidiaries. The Company has direct share ownership in Indigo Pacific Corporation, Diamond Pacific International Corporation and Asean Maritime Corporation (all domiciled in foreign country), all of which are operating as investment holding companies.

4. GROUP STRUCTURE (continued)

Details of the Group's structure, direct or indirect share ownership are as follows:

No.	Company	Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2013	Total Assets Before Elimination 2013	Percentage of Ownership (%) 2012	Total Assets Before Elimination 2012
						US$'000		US$'000
1	Indigo Pacific Corporation	Investment holding company	Labuan, Malaysia	December 24, 1997	100	1.934	100	1.936
1.1	Indigo Pacific Corporation	Investment holding company	British Virgin Islands	February 8, 1993	100	-	100	-
1.1.1	Melani Maritime Inc.	b) Owner and operator of vessel	Panama	February 24, 1993	100	8.687	100	8.689
1.1.2	Zona Overseas International Shipping S.A.	b) Owner and operator of vessel	Panama	24 June 1997	100	85.607	100	86.396
1.1.3	Kunti Maritime Pte. Ltd.	Owner and operator of vessel	Singapore	October 11, 2000	100	17.859	100	17.828
1.1.4	Jembawati Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	November 15, 2000	100	5.124	100	5.186
1.1.5	Tirtasari Maritime Pte, Ltd.	b) Owner and operator of vessel	Singapore	November 24, 2001	100	3.301	100	3.280
1.1.6	Pergiwo Navigation Pte. Ltd.	b) Owner and operator of vessel	Singapore	April 26, 2002	100	9.596	100	9.600
1.1.7	Fatmarini Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	August 26, 2002	100	10.009	100	9.904
1.1.8	Harsanadi Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	August 26, 2002	100	-	100	139
1.1.9	Hartati Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	August 26, 2002	100	-	100	-
1.1.10	BLT Finance Corporation	Investment holding company	British Virgin Islands	June 20, 2005	100	-	100	-
1.1.11	Pujawati Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	March 10, 2005	100	2.134	100	3.309
1.1.12	Pertiwi Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	March 12, 2006	100	6.058	100	7.729
1.1.13	Anggraini Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	June 5, 2006	100	19	100	330
1.1.14	Emerald Maritime Pte. Ltd.	Owner and operator of vessel	Singapore	April12, 2006	100	5.849	100	5.125
1.1.15	BLT Finance B.V.	Investment holding company	The Netherlands	April 27, 2007	100	395.095	100	444.351
1.1.16	Tridonawati Maritime Pte. Ltd.	Owner and operator of vessel	Singapore	June 6, 2007	100	14.344	100	14.079
1.1.17	Purbasari Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	June 23, 2007	100	20.885	100	22.203
1.1.18	Tridonawati Maritime Corporation	b) Owner and operator of vessel	Liberia	June 21, 2007	100	-	100	392
1.1.19	Trirasa Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	June 6, 2007	100	17	100	22
1.1.20	Pramoni Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	April 16, 2008	100	17.887	100	19.211
1.1.21	Fatmarini Shipping Pte. Ltd.	b) Owner and operator of vessel	Singapore	October 12, 2008	100	22	100	520
1.1.22	Frabandari Shipping Pte. Ltd.	b) Owner and operator of vessel	Singapore	October 12, 2008	100	28	100	279
1.1.23	Harsanadi Shipping Pte. Ltd.	Owner and operator of vessel	Singapore	October 12, 2008	100	15.407	100	17.116
1.1.24	Hartati Shipping Pte. Ltd.	Owner and operator of vessel	Singapore	October 12, 2008	100	15.183	100	17.072
1.1.25	Nogogini Shipping Pte. Ltd.	Owner and operator of vessel	Singapore	October 12, 2008	100	6.791	100	7.389
1.1.26	Nolowati Shipping Pte. Ltd.	Owner and operator of vessel	Singapore	October 12, 2008	100	7.226	100	7.666
1.1.27	Ratih Shipping Pte. Ltd.	b) Owner and operator of vessel	Singapore	October 12, 2008	100	5	100	4.651
1.1.28	Universal Grace Ltd.	b) Owner and operator of vessel	Hong Kong	September 24, 2010	100	11	100	1.387
1.1.29	BLT Maritime Corporation	Investment holding company	British Virgin Islands	April 8, 2011	100	28.999	100	80.996
1.1.29.1	Swank Ventures Ltd.	b) Investment holding company	Marshall Islands	December 31, 2010	60	-	79,06	47
1.1.30	Rich King Ltd.	a) Owner and operator of vessel	Hong Kong	July 18, 2011	100	-	100	1

4. GROUP STRUCTURE (continued)

Details of the Group's structure, direct or indirect share ownership are as follows (continued):

No.	Company	Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2013	Total Assets Before Elimination 2013 US$'000	Percentage of Ownership (%) 2012	Total Assets Before Elimination 2012 US$'000
2	Diamond Pacific International Corporation	Investment holding company	Labuan, Malaysia	December 24, 1997	100	42.907	100	42.724
2.1	Diamond Pacific International Corporation	Investment holding company	British Virgin Islands	February 9, 1993	100	58.901	100	61.458
2.1.1	Lenani Maritime Inc.	b) Owner and operator of vessel	Panama	February 24, 1993	100	8.571	100	6.572
2.1.1.1	Ontari Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	July 25, 2002	100	8.568	100	8.573
2.1.2	Averina Maritime S.A.	b) Shipping Agency	Panama	May 27, 1998	100	-	100	6.898
2.1.3	Gandari Navigation Pte. Ltd.	b) Operator of vessel	Singapore	April 26,2002	100	4.990	100	28
2.1.4	GBLT Shipmanagement Pte. Ltd.	c) Ship Management	Singapore	March 10, 2002	100	-	100	12.258
2.1.4.1	GBLT Shipmanagement Ltd.	c) Ship Management	United Kingdom	February 2, 2004	100	-	100	79
2.1.5	Cendanawati Navigation Pte. Ltd.	b) Owner and operator of vessel	Singapore	July 25, 2002	100	3.330	100	3.334
2.1.6	Frabandari Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	August 14, 2002	100	15.684	100	16.738
2.1.7	Brotojoyo Maritime Pte. Ltd.	Owner and operator of vessel	Singapore	July 3, 2003	100	16.003	100	16.007
2.1.8	Berlian Laju Tanker Pte. Ltd.	Operator of vessel	Singapore	July 3, 2003	100	6.570	100	6.583
2.1.9	Anjasmoro Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	March 17, 2004	100	15.925	100	15.896
2.110	Gas Lombok Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	March 20, 2008	100	16.104	100	16.258
2.1.11	Gas Sumbawa Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	June 12, 2008	100	15.010	100	14.198
2.1.12	Berlian Laju Tanker DMCC	c) Shipping Agency	Dubai	January 24, 2011	100	26	100	22
2.1.13	BLT Gas Corporation	b) Operator of vessel	British Virgin Islands	January 25, 2013	100	-	-	-
2.2	BLT LNG Tangguh Corporation	Operator of vessel	Marshall Islands	July 8, 2005	100	24.430	100	10.645
3	Asean Maritime Corporation	Investment holding company	Labuan, Malaysia	September 16, 1997	100	-	100	33.778
3.1	Gold Bridge Shipping Corporation	Investment holding company	British Virgin Islands	November 20, 1996	100	561.498	100	570.972
3.1.1	Bauhinia Navigation S.A.	d) Owner and operator of vessel	Panama	May 30, 1996	-	-	100	1.787
3.1.2	Cempaka Navigation S.A.	d) Owner and operator of vessel	Panama	June 23, 1997	-	-	100	5.550
3.1.3	Gold Bridge Shipping Ltd.	Shipping agency	Hong Kong	April 27, 1990	100	2.583	100	2.113
3.1.4	Great Tirta Shipping S.A.	b) Owner and operator of vessel	Panama	June 23, 1997	100	4.781	100	4.783
3.1.4.1	Dewayani Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	November 1, 2002	100	3.027	100	3.031
3.1.5	Hopeway Marine Inc.	Owner and operator of vessel	Panama	November 22, 1984	100	9.131	100	7.702
3.1.6	Lestari International Shipping S.A.	b) Owner and operator of vessel	Panama	June 23, 1997	100	5.024	100	5.027
3.1.6.1	Gandini Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	January 2, 2002	100	2.856	100	2.860
3.1.7	Quimera Maritime S.A.	b) Owner and operator of vessel	Panama	December 3, 1993	100	2.660	100	2.733
3.1.8	South Eastern Overseas Navigation S.A.	b) Owner and operator of vessel	Panama	May 26, 1994	100	12	100	233
3.1.9	Zenith Overseas Maritime S.A.	b) Owner and operator of vessel	Panama	June 23, 1997	100	223	100	225
3.1.9.1	Gandari Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	January 20, 2002	100	-	100	-

4. GROUP STRUCTURE (continued)

Details of the Group's structure, direct or indirect share ownership are as follows (continued):

No.	Company	Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2013	Total Assets Before Elimination 2013	Percentage of Ownership (%) 2012	Total Assets Before Elimination 2012
						US$'000		US$'000
3.1.10	Zona Shipping S.A.	b) Owner and operator of vessel	Panama	June 23, 1997	100	4.281	100	4.283
3.1.10.1	Dewi Sri Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	November 1, 2002	100	2.722	100	2.727
3.1.11	Dahlia Navigation S.A.	d) Owner and operator of vessel	Panama	January 29, 1997	-	-	100	1.285
3.1.12	Eglantine Navigation S.A.	b) Owner and operator of vessel	Panama	November 24, 1997	100	2.019	100	1.759
3.1.13	Wulansari Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	April 6, 2001	100	785	100	1.073
3.1.14	Yanaseni Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	April 18, 2001	100	70	100	534
3.1.15	Indradi Maritime Pte. Ltd.	Owner and operator of vessel	Singapore	September 13, 2001	100	1.973	100	3.435
3.1.16	Gold Bridge Shipping Agencies S.A.	Shipping agency	Panama	September 26, 2001	100	4	100	22
3.1.17	Elite Bauhinia Navigation Pte. Ltd.	Owner and operator of vessel	Singapore	November 24, 2001	100	4.764	100	1.092
3.1.18	Cempaka Navigation Pte. Ltd.	d) Owner and operator of vessel	Singapore	July 25, 2002	100	1.735	100	1.737
3.1.19	Dahlia Navigation Pte. Ltd.	Owner and operator of vessel	Singapore	July 25, 2002	100	12.428	100	11.259
3.1.20	Freesia Navigation S.A.	Owner and operator of vessel	Panama	November 15, 2002	100	10.250	100	7.881
3.1.21	Gerbera Navigation S.A.	b) Owner and operator of vessel	Panama	November 29, 2002	100	17.529	100	17.530
3.1.22	Mustokoweni Maritime Pte Ltd.	b) Owner and operator of vessel	Singapore	August 12, 2004	100	105	105	131
3.1.23	Ulupi Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	August 12, 2004	100	156	100	314
3.1.24	Erowati Maritime Pte. Ltd.	Owner and operator of vessel	Singapore	August 12, 2004	100	5.008	100	3.440
3.1.25	Gas Papua Maritime Pte Ltd.	Owner and operator of vessel	Singapore	November 10, 2004	100	15.219	100	9.380
3.1.26	Rasawulan Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	November 8, 2004	100	324	100	519
3.1.27	Gas Sulawesi Maritime Pte. Ltd.	Owner and operator of vessel	Singapore	November 10, 2004	100	14.643	100	8.687
3.1.28	Gagarmayang Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	November 12, 2004	100	37.148	100	36.873
3.1.29	Prita Dewi Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	November 13, 2004	100	18.676	100	18.833
3.1.30	Purwati Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	November 14, 2004	100	41.123	100	42.749
3.1.31	Pradapa Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	January 8, 2005	100	46	100	1.454
3.1.32	Pergiwati Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	January 8, 2005	100	19.068	100	19.570
3.1.33	Badraini Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	January 19, 2005	100	16.739	100	16.799
3.1.34	Barunawati Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	January 19, 2005	100	543	100	1.776
3.1.35	Gas Maluku Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	April 8, 2005	100	-	100	20
3.1.36	Barawati Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	April 22, 2005	100	251	100	358
3.1.37	Gas Bali Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	July 6, 2005	100	3.778	100	3.781
3.1.38	Eustoma Navigation S.A.	b) Owner and operator of vessel	Panama	August 12, 2005	100	25	100	117
3.1.39	Puspawati Maritime Pte. Ltd.	b) Owner and operator of vessel	Singapore	September 26, 2005	100	26.014	100	26.449
3.1.40	Diamond Flow Ltd.	b) Investment holding company	Hong Kong	January 18, 2007	100	27	100	323
3.1.41	Likabula International Ltd.	d) Investment holding company	Hong Kong	June 14, 2007	-	-	100	243

4. GROUP STRUCTURE (continued)

Details of the Group's structure, direct or indirect share ownership are as follows (continued):

No.	Company	Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2013	Total Assets Before Elimination 2013 US$'000	Percentage of Ownership (%) 2012	Total Assets Before Elimination 2012 US$'000
3.1.42	Richesse International Corp	d) Investment holding company	British Virgin Islands	August 18, 2006	-	-	100	13
3.1.42.1	Richesse Logistics (International) Ltd.	d) Investment holding company	Hong Kong	August 25, 2006	-	-	100	125
3.1.42.1.1	Richesse Logistics (Fangcheng Port) Co. Ltd.	d) Storage and sale of chemical product	China	July 12, 2007	-	-	100	75
3.1.43	Hyacinth Navigation S.A	b) Owner and operator of vessel	Panama	March 12, 2008	100	7	100	9.647
3.1.44	Iris Maritime International S.A	Owner and operator of vessel	Panama	March 12, 2008	100	19.794	100	18.617
3.1.45	Gerbera Navigation Pte. Ltd.	b) Owner and operator of vessel	Singapore	February 1, 2011	100	29	100	132
3.1.46	BLT International Corporation	Investment holding company	Hong Kong	October 22, 2009	100	98.077	100	98.259
3.2	BLT Chembulk Corporation	Investment holding company	British Virgin Islands	October 5, 2007	100	1	100	1
3.2.1	Chembulk Tankers LLC	Investment holding company	Marshall Islands	January 25, 2007	100	40.982	100	45.718
3.2.1.1	Chembulk Trading II LLC	Owner and operator of vessel	Marshall Islands	January 25, 2007	100	237.179	100	24.251
3.2.1.2	Chembulk Management LLC	Ship management	United States of America	January 25, 2007	100	9.593	100	9.435
3.2.1.3	Chembulk Management Pte. Ltd.	Ship management	Singapore	March 29, 2007	100	966	100	1.101
3.2.1.4	CBL Tankers Do Brasil Ltda.	Ship management	Brazil	July 17, 2008	97.5	51	100	34
3.2.1.5	BLT Chembulk Group Europe A/S	Ship management	Denmark	February 10, 2011	100	6	100	130
3.2.1.6	BLT Chembulk Group Corporation	b) Operator of vessel	British Virgin Islands	December 2, 2010	100	199	100	18
3.2.2	Chembulk Barcelona Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	33.734	100	42.274
3.2.3	Chembulk Gibraltar Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	22.287	100	31.359
3.2.4	Chembulk Hong Kong Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	31.971	100	40.994
3.2.5	Chembulk Houston Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	20.965	100	30.134
3.2.6	Chembulk Kobe Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	23.580	100	32.586
3.2.7	Chembulk New York Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	27.769	100	35.567
3.2.8	Chembulk Savannah Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	26.737	100	34.064
3.2.9	Chembulk Shanghai Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	21.970	100	30.012
3.2.10	Chembulk Ulsan Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	24.539	100	33.605
3.2.11	Chembulk Virgin Gorda Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	34.147	100	44.942
3.2.12	Chembulk Yokohama Pte. Ltd.	Owner and operator of vessel	Singapore	November 2, 2007	100	24.554	100	37.069
3.2.13	Chembulk New Orleans Pte. Ltd.	Owner and operator of vessel	Singapore	June 22, 2008	100	31.445	100	11.310
4	PT Brotojoyo Maritime	Owner and operator of vessel	Indonesia	January 20, 2003	100	5.461	100	12.520
5	BLT - Borrelli International Holdings Pte. Ltd.	Investment holding company	Singapore	September 12, 2013	100	-	100	-
6	PT Buana Listya Tama Tbk	e) Owner and operator of vessel	Indonesia	May 12, 2005	32.9	-	50.46	332.704
6.1	PT Anjasmoro Maritime	e) Owner and operator of vessel	Indonesia	March 24, 2006	32.9	-	50.46	18
6.2	PT Pearl Maritime	e) Owner and operator of vessel	Indonesia	November 9, 2006	32.9	-	50.46	13.433
6.3	PT Ruby Maritime	e) Owner and operator of vessel	Indonesia	November 9, 2006	32.9	-	50.46	24.224
6.4	PT Sapphire Maritime	e) Owner and operator of vessel	Indonesia	November 9, 2006	32.9	-	50.46	43.409

4. GROUP STRUCTURE (continued)

Details of the Group's structure, direct or indirect share ownership are as follows (continued):

No.	Company	Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2013	Total Assets Before Elimination 2013 US$'000	Percentage of Ownership (%) 2012	Total Assets Before Elimination 2012 US$'000
6.5	PT Citrine Maritime	e) Owner and operator of vessel	Indonesia	May 29, 2006	32.9	-	50.46	30.826
6.6	PT Diamond Maritime	e) Owner and operator of vessel	Indonesia	May 29, 2006	32.9	-	50.46	21.551
6.7	PT Emerald Maritime	e) Owner and operator of vessel	Indonesia	May 29, 2006	32.9	-	50.46	86.022
6.8	PT Jade Maritime	e) Owner and operator of vessel	Indonesia	May 19, 2009	32.9	-	50.46	26
6.9	PT Onyx Maritime	e) Owner and operator of vessel	Indonesia	May 19, 2009	32.9	-	50.46	25
6.10	PT Topaz Maritime	e) Owner and operator of vessel	Indonesia	May 19, 2009	32.9	-	50.46	14
6.11	PT Bayu Lestari Tanaya	e) Shipping agency	Indonesia	March 22, 2005	32.9	-	50.46	633
6.11.1	PT Berlian Dumai Logistics	e) General trading	Indonesia	November 16, 2007	32.9	-	50.46	630
6.12	PT Gemilang Bina Lintas Tirta	e) Operator of vessel	Indonesia	November 10, 2003	32.9	-	50.46	23.658
6.13	PT Karya Bakti Adil	e) Crew agency	Indonesia	November 20, 2003	32.9	-	50.46	174.196
6.14	PT BLT International Group	e) Investment holding company	Indonesia	December 23, 2009	32.9	-	50.46	27
6.15	PT BLT MEO	e) Owner and operator of vessel	Indonesia	July 20, 2010	32.9	-	50.46	-
6.16	BLT Shipping Corporation	e) Investment holding company	British Virgin Island	April 15, 2011	32.9	-	50.46	54.305
6.17	BLT Marina Shipping Corporation	e) Investment holding company	British Virgin Island	June 10, 2011	32.9	-	50.46	50
6.18	PT Banyu Laju Shipping	e) Owner and operator of vessel	Indonesia	July 25, 1991	32.9	-	50.46	28.028
7	Nevaeh Limited	Investment Holding Company	Hong Kong	Investment	51	21.892	51	19.758
8	Teekay BLT Corporation	Investment Holding Company	Marshall Islands	Associates	30	491.148	30	481.063
9	Thai Petra Transport Co Ltd.	Shipping Agency	Thailand	Associates	30	1.071	30	1.104
10	PT Berlian Limatama	Owner and operator of vessel	Indonesia	Associates	50	571	50	545

a) Such subsidiaries are all inactive since the dates of their incorporation.

b) Such subsidiaries are considered dormant and have no operations in 2013 and 2012.

c) Such subsidiaries have been under liquidation for which the financial position and results of operations are considered insigificant to the Group consolidated financial statement.

d) Such subsidiaries have been closed/sold in 2013 for insignificant consideration.

e) Such subsidiaries were deconsolidated in March 2013 related to the effect of debt restructuring (Note 6).

4. GROUP STRUCTURE (continued)

Transfer of PT Banyu Laju Shipping's (BLS) shares

Based on the share purchase agreement dated June 27, 2012, PT Buana Listya Tama Tbk and PT Bayu Lestari Tanaya, both subsidiaries then, agreed to acquire 500 shares or 100.0% share ownership of BLS at par value amounting to Rp1.0 million from the Company and PT Brotojoyo Maritime. Accordingly, the share ownership of the Company in BLS was changed to indirect share ownership of 50.46% resulting in the difference arising from the effect of transactions with non-controlling interest of US$2.4 million (Note 17).

Increase in share capital of Richesse Logistics (Fangcheng Port) Company Limited (RLFP), a subsidiary

In 2012, RLFP increased its registered share capital from RMB125.0 million to RMB150.0 million. The increase in RLFP's registered share capital amounting to RMB25.0 million was due to additional investment from a non-controlling shareholder. Accordingly, the indirect share ownership of the Company through Asean Maritime Corporation in RLFP decreased from 60.0% to 50.0% ownership. This change resulted in RLFP's deconsolidation. The fair value of the investment in RLFP retained by the Group was determined to be nil due to significant impairment recognized by RLFP in 2012. Due to the loss of control in RLFP and it becoming a dormant entity with no assets and liability, the Group decided to write off such investment and to recognize loss amounting to US$9.8 million in the 2012 consolidated statement of comprehensive income (Note 36).

Initial Public Offering (IPO) and deconsolidation of PT Buana Listya Tama Tbk (BULL)

On May 10, 2011, BULL obtained notice of effectivity from the Chairman of Bapepam-LK for BULL's IPO of 6,650,000,000 shares with Rp100 par value per share and issuance of 3,325,000,000 series I Warrants. BULL's shares were listed in the BEI on May 21, 2011. Accordingly, the Company's share ownership in BULL decreased from 100.0% to 62.3% resulting in difference of US$22.7 million arising from the change in the equity of a subsidiary (Note 17).

On January 17, 2012, the Company held Exchangeable Notes as settlement for their AFS financial assets. These Exchangeable Notes were convertible at any time into 495,377,000 shares of BULL or equal to 2.8% ownership in BULL and hold dividend and voting rights for the shares. Hence, the effective share ownership of the Company in BULL increased to 65.1%, which also resulted in the difference amounting to US$4.2 million arising from the change in the equity of a subsidiary (Note 17).

In June 2012, the Company failed to meet its payment obligations under a sale and purchase agreement of shares (with option to repurchase) in respect of 2,589,538,604 shares of BULL. The BULL's shares, equivalent to 14.7% ownership in BULL, were executed. Accordingly, the Company's share ownership in BULL decreased to 50.5% which resulted in the difference arising from the effect of transactions with non-controlling interest of US$8.3 million (Note 7).

In March 2013, the Group's Restructuring Plan was ratified by the Central Jakarta Commercial Court (Note 44). The Restructuring Plan provides that BULL will undergo a separate restructuring with a third party investor which will result in a complete separation in the management and operations of the Group and BULL. The Company determined that its creditors will exercise their rights over shares in BULL, which were pledged by the Company to secure the loan of BULL, as part of the BULL restructuring, thus, resulting in the Group's loss of control of BULL. The Group derecognized all the assets, liabilities and non-controlling interest related to its investment in BULL.

The investment was subsequently accounted for as investment in AFS financial assets carried at fair value of US$43.3 million. The Group recognized loss on control of subsidiary amounting to US$41.3 million (Notes 6 and 36).

4. GROUP STRUCTURE (continued)

Initial Public Offering (IPO) and deconsolidation of PT Buana Listya Tama Tbk (BULL) (continued)

In November 2013, one of the Group's creditors exercised its rights over the shares of BULL. The Group's ownership interest has decreased from 50.5% to 32.9%. The related liability pertaining to this execution of security amounted to US$14.6 million while the fair value of the shares of BULL given up as security amounted to US$10.9 million, thereby resulting in US$3.7 million gain on extinguishment of debt. As of December 31, 2013, the carrying value of the investment in BULL amounted to US$23.8 million (Note 6).

Boards of Commissioners and Directors, Audit Committee and employees

The Company's management as of December 31, 2013 and 2012 consists of the following:

Board of Commissioners

President Commissioner	Hadi Surya
Commissioner	Safzen Noerdin
Independent Commissioners:	Jaka Prasetya
	Alan Jonathan Tangkas Darmawan*

Board of Directors

President Director	Widihardja Tanudjaja
Directors:	Michael Murni Gunawan
	Wong Kevin
	Siana Anggraeni Surya
	Henrianto Kuswendi*

Audit Committee

Chairman	Jaka Prasetya
Member	Max Sumakno Budiarto

**Alan Jonathan Tangkas Darmawan resigned in June 2013.*
**Henrianto Kuswendi resigned in November 2013.*

The Group had a total number of 179 and 351 employees as of December 31, 2013 and 2012 (unaudited), respectively.

5. FIXED ASSETS

	For the Year Ended December 31, 2013								
	Owned vessels	Leased vessels	Vessels under construction	Transportation equipment	Office furniture and fixtures	Office and dormitory equipment	Buildings and premises	Construction in progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost/valuation									
Beginning balance	596,575	205,816	-	1,561	979	3,000	2,208	-	810,139
Additions	3,939	-	-	-	9	491	-	-	4,439
Disposals	(21,741)	-	-	(710)	-	-	(543)	-	(22,994)
Transfers	(32,321)	(9,993)	-	-	-	-	-	-	(42,314)
Revaluations (Note 18 and 36)	55,784	3,473	-	-	-	-	-	-	59,257
Effect of deconsolidation (Note 6)	(160,003)	-	-	(209)	(242)	(76)	(365)	-	(160,895)
Ending balance	442,233	199,296	-	642	746	3,415	1,300	-	647,632
Accumulated depreciation and impairment loss									
Beginning balance	-	-	-	1,130	562	2,825	693	-	5,210
Depreciation	36,090	9,993	-	220	101	24	73	-	46,501
Disposals	(365)	-	-	(698)	-	-	(131)	-	(1,194)
Transfers	(32,321)	(9,993)	-	-	-	-	-	-	(42,314)
Effect of deconsolidation (Note 6)	(3,404)	-	-	(56)	(9)	(35)	-	-	(3,504)
Ending balance	-	-	-	596	654	2,814	635	-	4,699
Net book value	**442,233**	**199,296**	**-**	**46**	**92**	**601**	**665**	**-**	**642,933**

5. FIXED ASSETS (continued)

	For the Year Ended December 31, 2012								
	Owned vessels	**Leased vessels**	**Vessels under construction**	**Transportation equipment**	**Office furniture and fixtures**	**Office and dormitory equipment**	**Buildings and premises**	**Construction in progress**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cost/valuation									
Beginning balance	925,530	300,001	23,468	1,788	1,028	4,117	3,412	29,055	1,288,399
Additions	9,257	-	-	-	11	271	-	-	9,539
Disposals	(138,974)	(52,504)	(6,443)	(227)	(60)	(1,388)	(1,204)	(29,055)	(229,855)
Reclassification	17,025	-	(17,025)	-	-	-	-	-	-
Transfers	(59,109)	(10,901)	-	-	-	-	-	-	(70,010)
Revaluations (Note 18 and 36)	(157,154)	(30,780)	-	-	-	-	-	-	(187,934)
Ending balance	596,575	205,816	-	1,561	979	3,000	2,208	-	810,139
Accumulated depreciation and impairment loss									
Beginning balance	-	-	-	1,231	547	3,689	1,013	-	6,480
Depreciation	59,109	10,901	-	70	57	260	142	-	70,539
Disposals	(8,437)	-	-	(171)	(42)	(1,124)	(462)	-	(10,236)
Transfers	(50,672)	(10,901)	-	-	-	-	-	-	(61,573)
Ending balance	-	-	-	1,130	562	2,825	693	-	5,210
Net book value	**596,575**	**205,816**	**-**	**431**	**417**	**175**	**1,515**	**-**	**804,929**

Depreciation expense was allocated as follows:

	For the Year Ended December 31,	
	2013	**2012**
	US$'000	**US$'000**
Vessel depreciation	46,083	70,010
Administrative expenses (Note 35)	418	529
Total	**46,501**	**70,539**

All disposals of fixed assets are made with third parties. Gain (loss) on disposal of fixed assets during the year is as follows:

	For the Year Ended December 31,	
	2013	**2012**
	US$'000	**US$'000**
Cost	22,994	109,565
Accumulated depreciation	(1,194)	(1,916)
Net book value	21,800	107,649
Net considerations received	22,671	139,223
Gain on disposal of fixed assets (Note 36)	**871**	**31,574**

In relation to the Company's loss of control of subsidiaries, the net carrying value of fixed assets amounting to US$157.4 million was derecognized in 2013 (Note 6).

Deductions to fixed assets in 2013 include derecognition of fixed assets due to vessel sold in consideration for the payment of loan amounting to US$16.0 million (Note 21). Deductions to fixed assets in 2012 include derecognition of fixed assets due to deconsolidation of subsidiaries related to the dilution of shares ownership amounting US$29.1 million.

The carrying values of vessels held under finance leases as of December 31, 2013 and 2012 amounted to US$199.3 million and US$205.8 million, respectively.

Owned and leased vessels are stated at their revalued amounts using market approach, based on their fair values in the valuation report dated May 17, 2014 prepared by an independent appraiser and reviewed by management. The appraisal report was issued by KJPP Budi, Edy, Saptono & Rekan using market data or sales comparison approach method in determining the revalued amounts. This means that valuations performed by the appraiser are based on second hand vessel sale transactions on active market, significantly adjusted for difference in the nature, measurements and conditions of the vessels.

5. FIXED ASSETS (continued)

Transfers pertain to accumulated depreciation as at revaluation date that were eliminated against gross carrying amount of the revalued vessels. Had the Group's vessels been measured on historical cost, the carrying value (cost less accumulated depreciaton and impairment loss) would have been US$1.1 billion in 2013 and US$1.4 billion in 2012.

Changes in the revaluation reserves are disclosed in Note 18.

Additions to owned vessels for the years 2013 and 2012 pertain to capitalized docking expenses.

The leaseback agreement in 2012 includes a vessel sold in connection with the restructuring agreement with Clio Marine Inc. pursuant to the Restructuring Plan (Note 21). The vessel was leased back in accordance with the terms of the time charter party agreement dated November 7, 2013. The proceeds from the sale of the vessel was applied for the payment of the loan amounting to US$28.0 million which is considered as the fair value of the vessel. There were no new finance lease assets in 2013. The outstanding balance of the finance lease liability as of December 31, 2013 and 2012 amounted to US$213.3 million and US$255.9 million, respectively (Note 25).

The Group's fleet comprised 34 owned vessels and 8 leased vessels in 2013 and 52 owned vessels and 8 leased vessels in 2012. The redelivery of leased vessels is part of the fleet restructuring by the Group to reduce vessels and establish an optimum fleet size to maximize profitability.

In 2012, the Group defaulted on 3 gas vessel contracts and recognized liabilities arising from termination of vessel construction in progress amounting to US$25.2 million (Note 24) and loss on termination of vessel construction in progress amounting to US$18.1 million (Note 36). There were no vessels under construction as of December 31, 2013 and 2012.

The Group's vessels and equipment were insured for hull and machinery damages and war risk, Increased Value and Additional Owners Interest (I.V. & A.O.I) for US$739.6 million and US$1.1 billion in 2013 and 2012, respectively, with LCH Insurance (S) Pte. Ltd. and Sompo Japan Insurance Inc. The Group's vessels were also insured against losses of third parties arising from vessel operations such as environmental pollution caused by accidents (Protection and Indemnity or P&I). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

For the years ended December 31, 2013 and 2012, the Group specifically identified fixed assets vesels with indications of impairment. The vessels' recoverable amount is considered to be its revalued amount because management believes that the disposal costs for these vessels are insignificant. In 2013, impairment losses for these vessels amounting to US$1.8 million were offset against the reversal of impairment losses of vessels during the year amounting to US$51.0 million which resulted in a net reversal of impairment of US$49.2 million (Note 36). In 2012, impairment losses on the Group's vessels amounted to US$144.2 million.

All of the fixed assets vessels are collateralized to various liabilities of the Group (Notes 21, 25 and 42).

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31, 2013 US$'000	December 31, 2012 US$'000
Swank Ventures Limited (Note 7)	28,999	-
PT Buana Listya Tama Tbk	23,791	-
Nevaeh Limited	9,811	34,302
Total	**62,601**	**34,302**

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

The Group's investments in Swank Ventures Limited (SVL) and Nevaeh Limited are unquoted equity shares and accounted for at cost. The Group considers the investment in SVL and BULL as part of the surplus assets of the Group. Pursuant to the the Restructuring Plan, surplus assets of the Group will have to be sold within 3 to 6 years from the date of the Restructuring Plan (Note 44).

BULL shares are listed in BEI. However, the stock trading for BULL shares was suspended in May 2014 due to delay in submission of its 2013 audited financial statements. Stock trading of the shares remained suspended as of the issuance date of these consolidated financial statements.

a. Swank Ventures Limited

The Group's investment in SVL was previously classified as non-current asset classified as held-for-sale due to management's plan and commitment to sell the asset. Pursuant to the Restructuring Plan, the investment was reclassified to AFS (non-current assets) since it no longer qualifies as non-current asset classified as held-for-sale due to the change in the expected timing of disposal, which is within 3 to 6 years from the date of the Restructuring Plan (Note 7).

In 2013, management identified indicators of impairment related to the SVL investment due to the economic downturn in the mining industry. Management performed valuation method based on the discounted cash flow of the investment. The valuation reduced the investment to US$29.0 million resulting in impairment loss of US$52.0 million recognized in the 2013 consolidated statement of comprehensive income (Note 36).

The management estimated that the discount rates using pre-tax rates reflect current market assessments of the time value of money and the risks specific to its investment in SVL. The key assumptions used for recoverable amount calculation as of 31 December 2013 are as follows:

	Coal mining	Mining services
Growth rate after 5 years	0.0%	0.0%
Post tax discount rate for fair value calculation)	13.1%-13.6%	13.6%

A quantitative sensitivity analysis for significant assumptions as of December 31, 2013 is as follows:

	Discount Rate		Price	
	1% increase	1% decrease	1% Increase	1% decrease
Valuation of investment in SVL	(27.4 million)	30.7 million	29.8 million	(28.2 million)

b. PT Buana Listya Tama Tbk

Since 2012, the Group owns 47.6% interest in BULL. Although the Group's share ownership in BULL did not reach 50.0%, management determined that the Group still has control over the entity due to its power to appoint or remove the majority of the members of the board of directors since control of the entity is by that board.

Pursuant the Restructuring Plan, the Group's surplus assets, which include the investment in BULL, are to be disposed within the next 3 to 6 years from the date of the Restructuring Plan. Effective March 31, 2013, the Company deconsolidated all the assets, liabilities, non-controlling interests and cumulative other comprehensive income recognized in equity from its investment in BULL. The balances of BULL at the date of loss of control are as follows:

ASSETS	US$'000
NON-CURRENT ASSETS	
Fixed assets	157,391
Due from related parties	96,435
TOTAL NON-CURRENT ASSETS	**253,826**

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

b. PT Buana Listya Tama Tbk (continued)

	US$'000
CURRENT ASSETS	
Inventories	2,125
Trade accounts receivable	12,602
Other receivables	1,129
Prepaid expenses and taxes	6,282
Advances	81
Cash and cash equivalents	5,644
Total	**27,863**
Non-current assets classified as held-for-sale	54,000
TOTAL CURRENT ASSETS	**81,863**
TOTAL ASSETS	**335,689**
LIABILITIES AND EQUITY	
EQUITY	
Non-controlling interests	73,533
Revaluation reserves	7,363
Financial statements translation	(592)
TOTAL EQUITY	**80,304**
NON-CURRENT LIABILITIES	
Provision for post-employment benefits	2,328
Deferred tax liabilities	3,319
TOTAL NON-CURRENT LIABILITIES	**5,647**
CURRENT LIABILITIES	
Trade accounts payable	23,813
Accrued expenses	4,015
Loans payable	142,940
Taxes payable	997
Other current liabilities	673
TOTAL CURRENT LIABILITIES	**172,438**
TOTAL LIABILITIES	**178,085**

The fair value of the investment at the date of deconsolidation amounted to US$43.3 million based on the trading price in BEI. The Group recognized loss of US$41.4 million (unaudited) due to the loss of control of BULL (Note 36). The balance of revaluation reserves attributable to valuation of vessels of BULL was reclassified to deficit.

The Group has consolidated the results of operations of BULL for the three-month period ended March 31, 2013 (unaudited) as follows:

	US$'000
OPERATING REVENUES	**10,746**
VOYAGE EXPENSES	**(2,271)**
OPERATING REVENUES AFTER VOYAGE EXPENSES	**8,475**
Ship operating expenses	(1,721)
Vessel depreciation	(3,404)
Charter expenses	(428)
GROSS PROFIT	**2,922**

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

b. PT Buana Listya Tama Tbk (continued)

	US$'000
Administrative expenses	(1,035)
Foreign exchange gain - net	411
Other losses - net	(217)
INCOME BEFORE INCOME TAX	**2,081**
INCOME TAX EXPENSE - NET	**(159)**
NET INCOME	**1,922**
OTHER COMPREHENSIVE INCOME	
Net increase in revaluation reserves of vessels	3,800
Deferred income tax related to revaluation of vessels	(1,550)
NET OTHER COMPREHENSIVE INCOME	**2,250**
TOTAL COMPREHENSIVE INCOME	**4,172**

Pursuant to the guarantee agreement signed by the Company for the loan facility obtained by BULL, the Company pledged 32.8% of its share ownership in BULL as security (Notes 21 and 42). The Restructuring Plan provides that the creditors will enforce their security over these BULL shares to facilitate the restructuring of BULL and release the Company from all obligations and claims under the guarantee agreement (Note 42). Accordingly, management assessed that the Company effectively lost control over the investment upon the ratification of the Restructuring Plan in March 2013 although the Company remains in possession of the title over BULL shares. A third party investor together with the creditors took control over BULL by changing the Board of Directors nominated by the Company. As such, the management assessed that the creditors already obtained the substance of control in March 2013.

The Company also pledged 14.8% of its share ownership in BULL as security to a derivative creditor of its one subsidiary. In November 2013, the creditor exercised its rights and took over the ownership of the shares. The Group derecognized the portion of the loan of its subsidiary and the 14.8% investment amounting to US$14.6 million and US$10.9 million, respectively (Note 21). Gain on extinguishment of debt amounting to US$3.7 million was recognized in the 2013 consolidated statement of comprehensive income.

The remaining investment in BULL carried at fair value as of December 31, 2013 amounted to US$23.8 million based on the trading price in BEI of Rp50 per share. There were no changes in the trading price of BULL's shares since the date of deconsolidation. Loss arising from changes in foreign exchange rates related to the investment in BULL amounted to US$4.8 million in 2013.

As of the date of completion of the consolidated financial statements, BULL is still undergoing debt restructuring with its creditors.

Since BULL had been deconsolidated on March 31, 2013, BULL's loans that were guaranteed by the Company were also deconsolidated from the consolidated financial statements. However, the Company still acts as a guarantor for BULL's loans which has been declared in default (Note 42).

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

c. Nevaeh Limited

In 2009, Asean Maritime (AMC), a subsidiary, acquired 100.0% share ownership in Nevaeh Limited (NL), another holding company. This acquisition gave the Company an indirect percentage ownership of 45.0% and 21.8% in Brilliant Hero Industrial Limited (BHIL) and Jiangsu Xinrong Shipyard Company Limited (JXSCL), respectively. BHIL is an investment holding company while JXSCL is engaged in ship repair, conversion and steel structure.

On November 1, 2010, AMC sold 49.0% of its ownership in NL to Mitsui & Co. Ltd., a third party. Although AMC has 51.0% ownership in NL after the sale of investment in shares in NL, management assessed that AMC does not have control over the financial decisions nor is it involved in the daily operations of NL, thus, NL is not consolidated in the financial statements. Further, NL is unable to exercise significant influence over BHIL. Therefore, NL classified its investments in BHIL as AFS financial assets since 2010.

JXSCL, which is the main asset of NL through share ownership in BHIL, suffered recurring losses that indicated impairment loss in AFS financial assets of NL. However, the management had not completed the computation of impairment in value of AFS financial assets as of December 31, 2012.

In 2013, the Group has finalized its impairment calculation and recorded impairment loss amounting to US$24.4 million (Note 36). Management decided to charge all of the impairment loss in 2013. The management estimated that the discount rates using pre-tax rates reflect current market assessments of the time value of money and the risks specific to its investment in NL. The Group used the discount rates of 7.02% and 8.04% for its impairment testing of investment in NL.

The growth rates are based on the industry growth forecasts which is calculated by using Compound Annual Growth Rate (CAGR). Changes in revenues and direct costs are based on past practices and expectations of future changes in the market. The Group used growth rate of 2.0% in 2013, for its impairment testing of investment in NL.

A quantitative sensitivity analysis for significant assumptions as of December 31, 2013 is as follows:

	Discount Rate		Revenue	
	1% increase	1% decrease	1% Increase	1% decrease
Valuation of investment in NL	(7.0 million)	13.9million	10.8 million	(8.8 million)

d. Suisse Charter Investments Ltd.

A subsidiary entered into an Investment Service Agreement with Suisse Charter Investments Ltd. (SCI) to manage funds which will be invested in securities, certificates of deposit, participation units in collective investment contracts and mutual funds and other instruments. The investment was placed as collateral to Wyoming International Ltd (WIL) for the sale and purchase agreement of securities with the option to repurchase.

In January 2012, the subsidiary continued to recognize loss on the investment and decided to terminate the Investment Service Agreement with the option of realizing such investment in BULL's shares equivalent to the fair value of the investment, amounting to US$ 8,635 thousand or 1,637,460,478 of BULL's shares. The subsidiary recognised loss on disposal of financial assets at FVTPL amounting to US$ 9,426 thousand (Note 36).

7. NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

On December 28, 2011, BLT Maritime Corporation (subsidiary of the Company) and BLT Shipping Corporation (subsidiary of BULL), purchased 30,000 and 20,000 shares, equal to 60.0% and 40.0% share ownership of SVL, respectively, from Liville Offshore Limited for a combined purchase price amounting to US$135.0 million. SVL has a warrant agreement with PT Umine Energy Indonesia (Umine) to exercise 179,611 shares, equal to 15.2% of Umine shares. Umine and its subsidiaries comprise a group of coal companies in Indonesia

Due to the Group's financial position, the management decided to dispose the investment in SVL in 2011. Accordingly, the investment in SVL was presented as non-current assets classified as held-for-sale. In 2012, the Group had yet to realize its disposal but continued to actively seek options in realizing such sale. As such, the investment in SVL remained presented as non-current assets classified as held-for-sale.

Pursuant to the Restructuring Plan, the Group has commitments to dispose surplus assets in order to strengthen the Group's financial position. Accordingly, the management ceased to present the investment as non-current assets classified as held-for-sale due to the expected timing for the disposal of the asset (Note 6). Thus, the investment was reclassified from non-current assets classified held-for-sale to AFS financial asset (non-current asset). As discussed in Note 6, the Group deconsolidated BULL including its portion of the investment in SVL amounting to US$54.0 million.

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

The following entities have been included in the consolidated financial statements using the equity method:

	Domicile and Operation	Nature of Business	Percentage of voting rights held (%)	
			2013	2012
Joint venture:				
Teekay BLT Corporation	Marshall Islands and Indonesia	Cargo shipping service (sea cargo service)	30.00	30.00
Associates:				
Thai Petra Transport Co. Ltd.	Thailand	Port service (agency)	30.00	30.00
PT Berlian Limatama	Indonesia	Cargo shipping service	50.00	50.00

The change in the investments in associates under the equity method is as follows:

	For the Year Ended December 31,	
	2013 US$'000	2012 US$'000
Beginning balance	11,088	5,017
Share in profit for the year	13,788	6,071
Ending balance	**24,876**	**11,088**

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

Summarized financial information of the Group's associates and joint venture is as follows:

	December 31, 2013			
	Teekay BLT Corporation	Thai Petra Trans. Co. Ltd.	PT Berlian Limatama	Total
	US$'000	US$'000	US$'000	S$'000
Current assets	97,345	712	527	98,584
Non-current assets	393,804	360	43	394,207
Current liabilities	(62,492)	(256)	(146)	(62,894)
Non-current liabilities	(347,158)	(66)	(22)	(347,246)
Net assets	81,499	750	402	82,651
Group's share in net assets of associates/joint venture	**24,450**	**225**	**201**	**24,876**
Revenues	47,795	137	113	48,045
Operating expenses	(11,667)	(40)	(35)	(11,742)
Gross profit	36,128	97	78	36,303
Administrative expenses	(2,092)	(134)	(69)	(2,295)
Finance cost	(1,359)	(5)	-	(1,364)
Other income	14,157	16	32	14,205
Profit (loss) before tax	46,834	(26)	41	46,849
Tax expense	(887)	(4)	(15)	(906)
Profit (loss) for the year	45,947	(30)	26	45,943
Group's share in profit (loss) of associates/joint venture	**13,784**	**(9)**	**13**	**13,788**

	December 31, 2012			
	Teekay BLT Corporation	Thai Petra Trans. Co. Ltd.	PT Berlian Limatama	Total
	US$'000	US$'000	US$'000	S$'000
Current assets	39,590	726	478	40,794
Non-current assets	441,473	378	66	441,917
Current liabilities	(52,048)	(261)	(144)	(52,453)
Non-current liabilities	(393,463)	(64)	(24)	(393,551)
Net assets	35,552	779	376	36,707
Group's share in net assets of associates/joint venture	**10,666**	**234**	**188**	**11,088**
Revenues	45,869	155	149	46,173
Operating expenses	(9,490)	(37)	(55)	(9,582)
Gross profit	36,379	118	94	36,591
Administrative expenses	(1,670)	(135)	(73)	(1,878)
Finance income (cost)	(2,117)	(9)	1	(2,125)
Other income (loss)	(11,358)	47	10	(11,301)
Profit before tax	21,234	21	32	21,287
Tax expense	(1,056)	(11)	(2)	(1,069)
Profit for the year	20,178	10	30	20,218
Group's share in profit of associates/joint venture	**6,053**	**3**	**15**	**6,071**

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

In addition to the preceeding disclosures, the following financial information of Teekay BLT Corporation are considered material to the Group:

	December 31, 2013 US$'000	December 31, 2012 US$'000
Cash and cash equivalents	39,863	27,586
Current portion of long-term debt	(27,038)	(27,038)
Current portion of derivative instruments	(18,040)	(8,679)

Teekay BLT Corporation is a joint venture formed in 2005 through the shareholders agreement signed by the Group and Teekay Corporation, the investment in which is accounted for using the equity method. The joint venture was formed to charter the vessels in a consortium project between various international companies related to the extraction of gas reserves from Tangguh gas fields in Papua, Indonesia.

In connection with the joint venture, Teekay Corporation made a loan facility to the Group secured by a second priority pledge agreement over the investment in the joint venture (Note 21). Teekay BLT Corporation also made unsecured loans to the Group (Note 21)

Due to the Group's financial position in 2011, the Group defaulted on its payment obligation under the loan facility in November 2011. Teekay Corporation issued a notice of demand and declared the full amount of the loan immediately due and payable. The Board of Directors of Teekay Corporation subsequently took steps to enforce its security over the loan facility.

For the years ended December 31, 2013 and 2012, the Group believes that it still retains joint control over the joint venture despite the replacement of its representative officers. Management continues to participate in significant decisions and operations of the joint venture while there is no final settlement agreement yet with the Group and Teekay Corporation. As of December 31, 2013, the Group is still negotiating with Teekay Corporation to resolve the restructuring of the defaulted loans (Notes 21 and 48).

9. RESTRICTED CASH

	December 31, 2013 US$'000	December 31, 2012 US$'000
ING Bank	9,168	9,150
DNB Bank ASA:		
Escrow account	-	1,164
DNB's Nostro account	-	8,731
Total	**9,168**	**19,045**
Current assets	-	9,895
Non-current assets	9,168	9,150
Total	**9,168**	**19,045**
Interest rate per annum U.S. dollar	**-**	**0.012% - 0.74%**

Restricted cash in ING Bank represents security placed in relation to the standby letter of credit facility agreement (Note 42). Restricted cash in DNB Bank ASA consists of a subsidiary's escrow account (non-interest bearing) and Nostro account. These accounts represent the proceeds from sale of vessels which are held as security by DNB Bank ASA and are restricted as debt reserves for the Working Capital Facility upon achievement of several restructuring milestones. In 2013, the cash in DNB Bank ASA was used to pay a portion of the liability arising from the Working Capital Facility (Note 21).

10. GOODWILL

The original amount of goodwill and related accumulated amortization and impairment as of December 31, 2013 and 2012 are as follows:

	December 31, 2013 US$'000	December 31, 2012 US$'000
Cost	87,410	87,410
Accumulated amortization	(17,371)	(17,371)
Accumulated impairment	(70,039)	(58,598)
Net	**-**	**11,441**

The Group tests goodwill for impairment on an annual basis to determine if there are indications of impairment. For impairment testing purposes, goodwill amounting to US$72.4 million had been impaired and allocated to cash-generating units of Chembulk Tankers LLC. Goodwill impairment amounted to US$11.4 million in 2013 and US$24.5 million in 2012 (Note 36).

The recoverable amounts of the cash-generating units are determined from value in use calculations. Key assumptions for the value in use calculations are discount rate, growth rates and expected changes to freight prices and direct costs during the year. The management estimated that the discount rates using pre-tax rates reflect current market assessments of the time value of money and the risks specific to the cash-generating unit. The Group used pre-tax discount rates of 11.5% in 2013 and 2012, for its impairment testing of goodwill. The growth rates are based on the industry growth forecasts. Changes in freight prices and direct costs are based on past practices and expectations of future changes in the market. The Group used growth rate of 5.0% in 2013 and 2012, for its impairment testing of goodwill.

The Group prepares cash flow forecasts for average of 19 years based on the remaining useful lives of vessels derived from the most recent financial budgets approved by management. The rate used to discount the forecasted cash flows from the cash-generating units is the average borrowing rate at the reporting date as adjusted to estimate the rate that the market would expect from the cash-generating unit. This rate does not exceed the average long-term growth rate for the relevant markets.

With regards to assessment for recoverable amount of cash-generating units, management believes that no reasonable possible changes in any of the assumptions used would cause the value of goodwill to materialy exceeds its fully impaired value.

11. INVENTORIES

Inventories mainly consist of bunker fuel which is carried at cost. Fuel consumption is recognized as part of voyage expenses. Inventories charged to voyage expenses amounted to US$111.2 million and US$170.8 million in 2013 and 2012, respectively (Note 33). In relation to loss of control of subsidiaries, inventories amounting to US$2.1 million were derecognized in 2013 (Note 6).

12. TRADE ACCOUNTS RECEIVABLE

	December 31, 2013 US$'000	December 31, 2012 US$'000
By Debtor		
Related parties (Note 40):		
PT Arpeni Pratama Ocean Line Tbk	-	107
Pan Union Shipping Pte. Ltd.	-	96
PT Garuda Mahakam Pratama	-	38
Sub-total	**-**	**241**
Third parties		
Owned and chartered vessels	26,441	49,619
Agency	1,349	5,962
	27,790	55,581
Allowance for impairment loss	(9,981)	(2,854)
Sub-total	**17,809**	**52,727**
Total	**17,809**	**52,968**
By currency		
U.S. dollar	23,535	52,195
Singapore dollar	3,028	83
Euro	1,168	1,660
Rupiah	44	1,798
Yen	5	13
Other currencies	10	73
Sub-total	**27,790**	**55,822**
Allowance for impairment loss	(9,981)	(2,854)
Net	**17,809**	**52,968**

There were no trade accounts receivable from a customer that represent more than 5.0% of the total trade accounts receivable.

12. TRADE ACCOUNTS RECEIVABLE (continued)

The aging schedule of the trade accounts receivable as of December 31, 2013 and 2012 is as follows:

	December 31, 2013 US$'000	December 31, 2012 US$'000
Neither past due nor impaired	5,209	27,930
Overdue:		
1 - 60 days	8,384	11,947
61 - 120 days	2,250	3,542
121 - 180 days	609	2,112
More than 180 days	11,338	10,291
Sub-total	**27,790**	**55,822**
Allowance for impairment losses	(9,981)	(2,854)
Net	**17,809**	**52,968**

The allowance for impairment losses of trade accounts receivable is based on management's specific identification of uncollectible accounts. There was no allowance for impairment loss of accounts based on management's collective assessment of uncollectible accounts. The movement of allowance for impairment loss of trade accounts receivable is as follows:

	For the Year Ended December 31,	
	2013 US$'000	2012 US$'000
Beginning balance	2,854	-
Provision for impairment loss of receivables (Note 35)	8,644	2,854
Receivables written off	(1,517)	-
Ending balance	**9,981**	**2,854**

Based on a review of the status of the individual trade accounts receivable at the end of the year, the Group's management believes that the above allowance for impairment of trade accounts receivable is sufficient to cover the losses that may arise from uncollectible trade accounts receivable in the future. In relation to loss of control of subsidiaries, trade accounts receivable amounting to US$12.6 million were derecognized in 2013 (Note 6).

13. CASH AND CASH EQUIVALENTS

	December 31, 2013 US$'000	December 31, 2012 US$'000
Cash on hand	283	502
Cash in banks:		
Rupiah:		
Bank Syariah Mandiri	1	1,397
Bank Negara Indonesia	1	338
Others	66	174
U.S. dollars:		
DNB Bank Singapore	8,016	-
Citibank	3,872	2,734
Nordea Bank Finland PLC	2,737	7
Hongkong Shanghai Banking Corp	1,950	1,884
Deutsche Bank	1,693	2
ING Bank	833	127
Bank Mandiri	259	259
Others	326	3,690
Other currencies	235	105
Total cash in banks	19,989	10,717

13. CASH AND CASH EQUIVALENTS (continued)

	December 31, 2013	December 31, 2012
	US$'000	US$'000
Time deposits:		
Rupiah	-	52
Singapore dollars	-	22
Total time deposits	-	74
Total	**20,272**	**11,293**
Interest rates per annum on time deposits:		
Rupiah	-	5.25% - 6.16%
Singapore dollars	-	0.7%

Interest income earned from cash and cash equivalents for the years ended December 31, 2013 and 2012 amounted to US$0.1 million and US$0.4 million, respectively (Note 37). In relation to loss of control of subsidiaries, cash and cash equivalents amounting to US$5.6 million and US$2.8 million were derecognized in 2013 and 2012, respectively (Notes 4 and 6).

All cash in banks and time deposits are placed in third-party banks.

In Year 1 of the Restructuring Plan (that is, April 1, 2013 to June 30, 2014), the Group is required to maintain a minimum cash buffer of US$25.0 million before any repayment can be made to the secured and unsecured creditors under the Restructuring Plan (Note 44).

Pursuant to the Restructuring Plan, a cash flow waterfall will be implemented on a quarterly basis commencing April 1, 2013 in accordance with the cash waterfall principles.

In 2013, the Group was not able to maintain a minimum working capital balance of US$25.0 million, excluding restricted cash, and hence, was not able to make any repayment to its creditors in accordance with the cash waterfall principles.

14. SHARE CAPITAL

The composition of shareholders based on the Share Registration Bureau (Registrasi Biro Administrasi Efek) and PT Kustodian Sentral Efek Indonesia as of December 31, 2013 and 2012 is as follows:

	Number of shares	Percentage of ownership (%)	Total paid-up capital
			US$'000
PT Tunggaladhi Baskara	4,383,489,018	37.95	41,583
Citibank Singapore S/A CBSG-CDP-Indonesia C/O Citibank, N.A	1,720,102,893	14.89	16,316
Widihardja Tanudjaja	2,620,800	0.02	25
Berlian Employees Cooperative	2,422,056	0.02	23
Siana Anggraeni Surya	62,400	0.00	1
Public (below 5.0 % each)	5,442,134,303	47.12	51,627
Total	**11,550,831,470**	**100.00**	**109,575**

The Company has 14,676,480,000 authorized number of shares with par value per share of Rp62.50. Issued and fully paid shares totaled 11,550,831,470 shares.

The Group has no shares options to its Directors and Officers. No restricted shares and dividend rights were awarded to shareholders, their associates, Directors and employees of the Group.

15. ADDITIONAL PAID-IN CAPITAL

	December 31, 2013 US$'000	December 31, 2012 US$'000
Paid-in capital	209,003	209,003
Difference in capital on treasury stock transaction (Note 16)	(72,856)	(72,856)
Exercise of convertible bonds	(6)	(6)
Total	**136,141**	**136,141**

16. TREASURY SHARES

At the Extraordinary General Meeting of Shareholders, as stated in notarial deed No. 47 dated May 31, 2006 of Amrul Partomuan Pohan, S.H., LL.M., notary in Jakarta, the shareholders approved to repurchase a maximum of 10.0% of the issued and paid-up shares, at a purchase price of Rp2,750 per share until May 31, 2007.

In August 2010, the Company entered into a standby facility of US$7.5 million. This facility was drawn down in September 2011 in the amount of US$7.3 million which was secured by treasury shares with market value on that date amounting to Rp97.2 million or equivalent to US$11.3 million. The Company did not fulfill its obligations on the maturity date on November 14, 2011; hence, event of default was declared on November 21, 2011 of which the treasury shares were exercised to cover the repayment of the facility. The difference between the carrying amounts of loan and interest and the acquisition cost of such treasury share amounting to US$72.9 million was recorded as difference in capital on treasury share transaction (Note 15).

The total number of treasury shares is 31,027,111 shares or 0.27% in 2013 and 2012.

17. DIFFERENCE ARISING FROM CHANGES IN EQUITY OF SUBSIDIARIES AND EFFECTS OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS

	December 31, 2013 US$'000	December 31, 2012 US$'000
Initial public offering of BULL shares (Note 4)	22,669	22,669
Execution of pledged BULL shares (Note 4)	(8,289)	(8,289)
Transfer of BLS shares to BULL (Note 4)	(2,439)	(2,439)
Exchangeable notes recognized as additional investment in BULL (Note 4)	(4,154)	(4,154)
Net	**7,787**	**7,787**

18. RESERVES

	December 31, 2013 US$'000	December 31, 2012 US$'000
General reserves	5,898	5,898
Revaluation reserves	15,947	16,653
Cumulative actuarial gain on post-employment benefits	900	-
Financial statements translation	127	(169)
Total	**22,872**	**22,382**

a. General reserves

Based on Limited Liability Company Law No. 40 Year 2007, the Company shall appropriate certain amounts of its profit in each year to general reserves if there are retained earnings available, until the general reserves reach at least 20.0% of the issued and paid-up capital. The Company allocated general reserves amounting to US$5.9 million or 5.0% of its issued and paid-up capital. Such general reserves were approved in prior years' Annual Shareholders' Meetings.

b. Revaluation reserves

	For the Year Ended December 31,	
	2013 US$'000	2012 US$'000
Beginning balance	16,653	51,968
Net revaluation increase (decrease)	8,216	(38,665)
Deferred income tax	(873)	3,678
Transfers to deficit:		
Amortization for the year	(686)	(328)
Deconsolidation of subsidiaries	(7,363)	-
Ending balance	**15,947**	**16,653**

The revaluation reserves arose from the revaluation of vessels net of deferred tax, as applicable. Where revalued vessels are sold, the portion of the revaluation reserves that relates to that vessel, is effectively realized, and is transferred directly to deficit.

In relation to loss of control of subsidiaries, revaluation reserves amounting to US$7.4 million were transferred to deficit in 2013 (Note 6).

c. Cumulative actuarial gain on post-employment benefits

This reserve pertains to actuarial gains and losses arising from valuation of post-employment benefits. In 2013, the Group recognized actuarial gains amounting to US$0.9 million, net of deferred income tax (Note 26).

d. Financial statements translation

This reserve consists of foreign exchange differences from translation to US$ of subsidiaries' and associates' financial statements with functional currency other than US$.

19. DEFICIT

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Beginning balance	(1,610,955)	(799,339)
Income (loss) for the year	177,496	(811,944)
Transfers from revaluation reserves (Note 18)	8,049	328
Reversal of dividends payable	438	-
Ending balance	**(1,424,972)**	**(1,610,955)**

20. NON-CONTROLLING INTERESTS

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Beginning balance	71,547	63,524
Share of profit (loss) for the year	915	(441)
Share of other comprehensive income (loss) for the year	1,071	(5,071)
Non-controlling interests arising from transfer of BLS shares to BULL	-	2,439
Non-controlling interests arising from execution of pledged BULL shares	-	23,153
Non-controlling interests relating to exchangeable note recognized as additional investment in BULL	-	(4,147)
Non-controlling interests relating to dilution of the Company's share ownership in Richesse Logistics (Fangcheng Port) Co. Ltd.	-	(7,917)
Non-controlling interests arising from acquisition of SVL	-	7
Deconsolidation of subsidiaries	(73,533)	-
Ending balance	**-**	**71,547**

In relation to loss of control of subsidiaries, non-controlling interests amounting to US$73.5 million was derecognized in 2013 (Note 6).

21. LOANS PAYABLE

	December 31, 2013 US$'000	December 31, 2012 US$'000
Bank loans:		
DNB Bank ASA, Singapore/BNP Paribas/ING Bank N.V./ NIBC Bank Ltd./Nordea Bank Finland Plc./Standard Chartered Bank/Skandinaviska Enskilda Banken AB (publ) - Mandated Lead Arrangers (MLA)	568,680	550,300
PT Bank Mandiri (Persero) Tbk	19,788	25,815
PT Bank Mizuho Indonesia	12,071	13,176
Clio Marine Inc./Mitsui Bank	10,594	12,095
Dialease Maritime S.A./Mitsubishi UFJ Lease & Finance Co. Ltd.	6,635	25,061
PT Bank Central Asia Tbk	4,278	4,599
BULL Loans:		
Merrill Lynch (Asia Pacific) Ltd.	-	35,747
PT Bank Negara Indonesia (Persero) Tbk	-	29,232
Deutsche Investitions- Und Entwicklungsgesellschaft mbH	-	25,315
Indonesia Eximbank	-	20,036
PT Bank Syariah Mandiri/PT Bank Syariah BRI/PT Bank Muamalat Indonesia Tbk/PT Bank Pembangunan Daerah Jawa Timur Tbk Divisi Usaha Syariah (BSMI)	-	12,006
PT Bank Syariah Mandiri/PT Bank Pembangunan Daerah Jawa Timur Tbk/PT Bank Muamalat Indonesia Tbk/ PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk Syariah (BSMS)	-	11,788
PT Bank Mega Tbk	-	10,357
*Termination of derivatives:		
Deutsche Bank	43,291	-
JP Morgan	16,257	-
Barclays Capital	13,444	-
HSBC	1,612	-
PT Bank DBS Indonesia	1,470	-
*Related party loan:		
PT Bagusnusa Samudra Gemilang (Note 40)	8,181	-
*Other loans:		
Teekay BLT Corporation	13,800	-
Teekay Corporation	12,714	-
	732,815	**775,527**
Unamortized loan transaction costs	-	(612)
Total	**732,815**	**774,915**
Current	26,513	660,046
Non-current	706,302	114,869
Total	**732,815**	**774,915**

**Such loans payable have been reclassified from other payables in 2013 (Note 24).*

In 2012, loans payable includes short-term loans from Merrill Lynch (Asia Pacific) Ltd. and PT Bank Mizuho Indonesia amounting to US$35,747 and US$13,176, respectively.

21. LOANS PAYABLE (continued)

(I) BEFORE RESTRUCTURING PLAN (Prior to March 22, 2013)

a. DNB Bank ASA, Singapore, BNP Paribas, ING Bank N.V., NIBC Bank Ltd., Nordea Bank Finland Plc., Standard Chartered Bank, Skandinaviska Enskilda Banken AB (publ) - Mandated Lead Arrangers ("MLA")

In February 2011, a subsidiary obtained Senior Secured Credit Facilities with maximum credit of US$685.0 million from MLA (MLA Loan), which consisted of:

- Facility A amounting to US$615.0 million, which was used to refinance the Group's loans. This loan is payable in 18 quarterly installments of US$15.4 million and a final installment payment of US$337.8 million upon maturity on February 2016. This facility is secured by a registered mortgage on certain subsidiaries' vessels (Note 5).

- Facility B amounting to US$70.0 million, which was used to finance the construction of new vessels. The tenor for Facility B loans is less than 5 years.

This loan is secured by the Company's restricted cash in DNB Bank ASA as debt reserves for the Working Capital Facility (Note 9). In addition, this loan is subject to LIBOR interest rate plus 3.15% per annum.

On January 11, 2012, DNB Bank ASA, Singapore issued notice of default to the Company as the loan guarantor and the subsidiary for failing to fulfill the debt covenants as stipulated in the loan agreement. This loan was presented under current liabilities as of December 31, 2012.

b. PT Bank Mandiri (Persero) Tbk

In May 2009, the Company obtained a financing loan facility from PT Bank Mandiri (Persero) Tbk ("Mandiri") with a maximum credit amount of Rp500.0 billion, payable in 18 quarterly installments until 2013. This loan is collateralized by the Company and certain subsidiaries' vessels (Note 5). The loan is subject to 13.5% interest rate per annum which is reviewed periodically and is paid monthly.

On May 30, 2012, Mandiri declared an event of default for deferred payment of obligations in accordance with the loan agreement. This loan was presented under current liabilities as of December 31, 2012.

c. PT Bank Mizuho Indonesia

The loan obtained from PT Bank Mizuho Indonesia ("Mizuho") was a time revolving loan with a total combined maximum credit of Rp130.0 billion or its US$ equivalent due on October 18, 2011 and was thereafter extended until April 18, 2012. Interest rate per annum was at the bank's cost of funds or SIBOR plus 1.2% per annum, which was paid between 7 and 30 days.

On May 7, 2012, Mizuho declared an event of default for deferred payment of its obligations in accordance with the loan agreement. This loan was presented under current liabilities as of December 31, 2012.

d. Clio Marine Inc./Mitsui Bank

On July 18, 2011, a subsidiary obtained loan from Clio Marine Inc. (CMI) with a total maximum credit of JPY3.6 billion and collateralized by a corporate guarantee from the Company and a subsidiary's vessel. This loan bore interest at the rate of 4.0% above LIBOR per annum and matured in 1 (one) year.

In 2012, CMI declared an event of default for non-payment of interest by the subsidiary. This loan was presented under current liabilities as of December 31, 2012.

21. LOANS PAYABLE (continued)

(I) BEFORE RESTRUCTURING PLAN (Prior to March 22, 2013) (continued)

e. Dialease Maritime S.A./Mitsubishi UFJ Lease & Finance Co. Ltd.

The loan from Dialease Maritime S.A./Mitsubishi UFJ Lease & Finance Co. Ltd. ("Dialease") was obtained through a JPY2.5 billion (equivalent to US$28.4 million) mortgage facility. This loan is payable in 84 monthly installments with a balloon payment of JPY1.6 billion on the last repayment date. Such loan is secured by a subsidiary's vessel and corporate guarantees from the Company and a subsidiary, with interest rate at Yen LIBOR plus 2.0% per annum.

On March 28, 2012, Dialease declared an event of default for the payment of obligations in accordance with the loan agreement. This loan was presented under current liabilities as of December 31, 2012.

f. PT Bank Central Asia Tbk

The loan from PT Bank Central Asia Tbk ("BCA") was obtained through an installment loan facility with a total maximum credit of Rp170.0 billion (US$13.9 million). This loan is payable in monthly installments until 2012 and bears interest at 10.3% per annum which is reviewed periodically. In 2012, BCA declared an event of default for this loan. This loan was presented under current liabilities as of December 31, 2012.

g. Merrill Lynch (Asia Pacific) Ltd.

In September 2011, BULL obtained a US$50.0 million working capital loan facility from Merrill Lynch (Asia Pacific) Ltd. and Orchard Centar Master Limited ("MLOR"), which is repayable over 12 months at an interest rate of 9.0% per annum payable quarterly. The facility consists of two tranches - Tranche A with maximum loan amount of US$30.0 million and Tranche B with maximum loan amount of US$20.0 million, but to date only Tranche A has been fully drawn down. This facility is guaranteed by the Company and is secured by a portion of the Company's equity in BULL (Notes 6 and 42).

On December 28, 2011, BULL failed to pay the interest due to MLOR. In 2012, MLOR declared an event of default and filed claims against the Company in its PKPU proceedings as the guarantor of the loan. BULL has deferred payments of principal, interest and penalty. Currently, BULL and MLOR are under the process of negotiation to settle the outstanding amounts. This loan was presented under current liabilities as of December 31, 2012.

h. PT Bank Negara Indonesia (Persero) Tbk

In March 2010, the Company obtained an Investment Refinancing Credit Loan amounting to Rp337.0 billion from PT Bank Negara Indonesia Persero Tbk ("BNI"), Jakarta. This loan is payable in 60 monthly installments until March 2015 which is secured by certain subsidiaries' vessels. In September 2011, the Company obtained an additional loan from BNI through an Investment Refinancing Credit Loan amounting to Rp70.7 billion. This loan is payable until September 2016.

On February 10, 2012, the Company novated both loan facilities from BNI to BULL. The novated loan facilities pertain to the loan facility amounting to Rp219.3 billion secured by certain subsidiaries' vessels (including their receivables and inventories), maturing on March 22, 2015 and the loan facility amounting to Rp66.5 billion secured by a subsidiary's vessels (including its receivables and inventories), maturing on September 15, 2016. Both facilities bear interest at the rates of 11.0%-12.0% per annum which are reviewed periodically and paid monthly.

On June 29, 2012, BULL and BNI agreed to amend their agreement, concerning, among others, changes in the installment payments. As of December 31, 2012, the balance of the current and non-current portion of BNI loan amounted to US$0.9 million and US$28.3 million, respectively.

21. LOANS PAYABLE (continued)

(I) BEFORE RESTRUCTURING PLAN (Prior to March 22, 2013) (continued)

i. Deutsche Investitions - Und Entwicklungsgesellschaft mbH ("DEG")

In April 2010, PT Sapphire Maritime (SM), a subsidiary of BULL, obtained a loan from DEG through a long-term investment facility amounting to US$29.9 million, maturing on March 15, 2018. This loan bears interest rate of LIBOR plus 4.75% per annum which is secured by the corporate guarantee of a subsidiary and a subsidiary's vessel. This loan is payable in 13 semi-annual installments with balloon payment of US$8.9 million on the last repayment date.

On March 1, 2012, SM and DEG agreed to adjust the interest payment and repayment schedule. The loan agreement contained certain covenants, among others, SM will maintain loan to fair value of vessel ratio of not more than 80.0% and debt service coverage ratio of not less than 1.1. As of December 31, 2012, the balance of the current and non-current portion of DEG loan amounted to US$3.6 million and US$21.7 million, respectively.

j. Indonesia Eximbank

The loan from Indonesia Eximbank was obtained through a Rp400.0 billion export facility loan with a maturity date of March 2014. This loan is payable in 20 quarterly installments. On February 21, 2012, the Company novated the loan facility to BULL. This loan is secured by certain subsidiaries' vessels and is payable in quarterly installments starting March 2014 until on March 2016. Further, this loan bears interest at the rate of 10.0% per annum which is reviewed periodically and paid quarterly.

In relation to the above loan, BULL is required to comply with certain covenants as stipulated in the agreement, including among others, to maintain net debt to equity ratio of not more than 3. As of December 31, 2012, the balance of loan from Indonesia Eximbank amounting to US$20.0 million was presented under non-current liabilities.

k. PT Bank Syariah Mandiri, PT Bank Syariah BRI, PT Bank Muamalat Indonesia Tbk, and PT Bank Pembangunan Daerah Jawa Timur Tbk Divisi Usaha Syariah ("BSMI")

As of December 16, 2009, PT Ruby Maritime (RM), PT Sapphire Maritime (SM), and PT Banyu Laju Shipping (BLS), subsidiaries of BULL, obtained long-term investment loan facilities under Syariah (Qardh and Murabahah) scheme from BSMI with a total maximum credit of Rp180.0 billion. These loan facilities are payable in 20 quarterly installments and due in December 2014, with balloon payment for a total amount of Rp60.3 billion. Indicative return is between 12.4% and 13.5% which is reviewed periodically and payable quarterly. Such loans are secured with a corporate guarantee from a subsidiary and subsidiaries' vessels. As of December 31, 2012, the balance of the current and non-current portion of BSMI loan amounted to US$0.9 million and US$11.1 million, respectively.

l. PT Bank Syariah Mandiri, PT Bank Pembangunan Daerah Jawa Timur Tbk, PT Bank Muamalat Indonesia Tbk, and PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk Syariah ("BSMS")

In November 2010, the Company obtained a loan from BSMS through a long-term investment loan facility under Syariah scheme with a total maximum credit of Rp344.8 billion. Such loan is collateralized by a subsidiary's vessel and corporate guarantee from a subsidiary. The subsidiary's receivable amounting to US$72.5 million was used as fiduciary collateral. Indicative return is at 12.0% per annum which is reviewed periodically, and is payable quarterly until May 20, 2015.

21. LOANS PAYABLE (continued)

(I) BEFORE RESTRUCTURING PLAN (Prior to March 22, 2013) (continued)

l. PT Bank Syariah Mandiri, PT Bank Pembangunan Daerah Jawa Timur Tbk, PT Bank Muamalat Indonesia Tbk, and PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk Syariah ("BSMS") (continued)

On June 2012, the Company novated the loan facility amounting to Rp168.1 billion to PT Emerald Maritime (EM), a subsidiary of BULL. This loan is secured by a subsidiary's vessel (Note 5). On October 17, 2012, EM and BSM agreed to amend the schedule of installments of the outstanding Tranche A loan amounting to Rp48.5 billion and Tranche B loan amounting to Rp65.5 billion and the basis of calculation of indicative return. The amended repayment will be monthly installment with balloon payments at maturity in December 15, 2016.

In relation to the loan of EM, BULL and its subsidiaries are required to comply with certain covenants, including among others, to maintain net debt to equity ratio of not more than 3.5 and the ratio of debt service coverage ratio of not less than 1 based on consolidated balances. As of December 31, 2012, the balance of the current and non-current portion of BSMS loan amounted to US$0.2 million and US$11.6 million, respectively.

m. PT Bank Mega Tbk

In August 2010, the Company obtained a loan from Bank Mega with a maximum credit of US$15.0 million or 60.0% value of a subsidiary's vessel. The loan is payable in 84 monthly installments until August 2017 and is secured by a subsidiary's vessel (Note 5).

On April 20, 2012, the Company novated the loan and renewed the debt facility amounting to US$10.6 million from Bank Mega to BULL. This loan is secured by a subsidiary's vessel and matures on December 12, 2018. This loan bears interest at the rate of 8.0% per annum which is reviewed periodically and is paid monthly. BULL is required to comply with certain covenants as stipulated in the loan agreement, including among others, to maintain net debt to equity ratio of not more than 3 and debt service coverage ratio of less than 1 for the first year. In the 2nd year, debt service coverage ratio will be subject to review and for the 3rd year, the debt service coverage ratio shall not be less than 1. As of December 31, 2012, the balance of the current and non-current portion of loan from Bank Mega amounted to US$0.4 million and US$9.9 million, respectively.

n. Termination of derivatives

- **Cross currency swaps**

  The cross currency swaps require periodic exchange of payments based on the rupiah and US$ notional amounts and final exchange or net settlement of the notional (principal) amounts on the maturity of the contracts.

  In 2012, the Group received early termination notices for all outstanding currency swap transactions due to the debt standstill. The termination claims from the Group's cross currency swap were from JP Morgan, Barclays Capital, HSBC and PT Bank DBS Indonesia.

- **Interest rate swaps**

  The interest rate swaps require periodic exchange of floating and fixed interest payments on the US$ notional amounts and is due in January and February 2015.

  In 2012, the Group received early termination notice for its outstanding interest rate swap transaction due to the debt standstill. The termination claim from the Group's interest rate swap was from Deutsche Bank.

21. LOANS PAYABLE (continued)

(I) BEFORE RESTRUCTURING PLAN (Prior to March 22, 2013) (continued)

o. PT Bagusnusa Samudra Gemilang

In July 2011, the Company obtained a working capital facility with maximum credit of Rp133.0 billion from PT Bagusnusa Samudra Gemilang (Bagusnusa), a related party (Note 40). Such loan was due in full on December 31, 2012. This loan is non-interest bearing and unsecured. The Company was not able to make due payment on December 31, 2012. This loan was presented under current liabilities as of December 31, 2012.

p. Other loans

i) Teekay BLT Corporation

The subsidiary's loan from Teekay BLT Corporation, a related party (Note 40), consists of advances received amounting to US$10.2 million which are non-interest bearing, unsecured and have no fixed repayment terms and advance received in exchange for promissory note due on demand amounting to US$3.6 million bearing interest at a fixed rate of 8.0% per annum. In 2012, the balance of the loans from Teekay BLT Corporation became due and demandable because of the default in payment demanded by Teekay BLT Corporation (Note 43). This loan was presented under current liabilities as of December 31, 2012.

ii) Teekay Corporation

The Company's loan from Teekay Corporation (Teekay) is secured by second priority pledge agreement over the shares of a subsidiary and interest-bearing loan, payable in 22 semi-annual installments at 8.0% per annum payable on a quarterly basis. As of February 23, 2012 and December 31, 2011, the Company has not fulfilled the payment of interest and principal installment amounting to US$1.0 million and US$0.2 million, respectively. Therefore, Teekay declared an event of default. As of December 31, 2013 and 2012, the unpaid interest is presented under accrued interest expense. Details of litigation involving Teekay are disclosed in Note 43. This loan was presented under current liabilities as of December 31, 2012.

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013)

(i) Bank loans

Following the events of default, the bank loan creditors of the Group submitted their respective claims under the PKPU. Pursuant to the Restructuring Plan, the bank loan creditors fall under the class of secured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured bank loans using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The respective restructured terms of the bank loan creditors under the Restructuring Plan are binding and set out as follows (Note 44):

a. DNB Bank ASA, Singapore, BNP Paribas, ING Bank N.V., NIBC Bank Ltd., Nordea Bank Finland Plc., Standard Chartered Bank, Skandinaviska Enskilda Banken AB (publ) - Mandated Lead Arrangers ("MLA")

- Principal of US$562.9 million including the original principal amount of US$550.3 million plus capitalized interest up to and including March 31, 2013, amounting to US$12.6 million.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(i) Bank loans (continued)

a. DNB Bank ASA, Singapore, BNP Paribas, ING Bank N.V., NIBC Bank Ltd., Nordea Bank Finland Plc., Standard Chartered Bank, Skandinaviska Enskilda Banken AB (publ) - Mandated Lead Arrangers ("MLA") (continued)

- Working Capital Facility of US$19.4 million to be repaid pursuant to the cash waterfall principles set out in the Restructuring Plan. This Working Capital Facility is not capable of being redrawn, and subject to interest (LIBOR + 3.15%), payable in arrears from June 30, 2013 out of excess cash above the minimum cash buffer of US$25 million (Notes 9 and 44).

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Amortization over a repayment period commencing from April 1, 2013 to the 10th anniversary of the Restructuring Plan, the maturity date of any loan extended by any unsecured creditor (apart from the trade creditors), or March 31, 2023, whichever is the earliest to occur ("Maturity Date") with equal quarterly instalments commencing year 3.

- Interest (LIBOR + 3.15%) on the portion that does not comprise Working Capital Facility to be capitalized from July 1, 2012 until March 31, 2015 if there is insufficient excess cash above the minimum cash buffer of US$25.0 million to service interest pursuant to the cash waterfall principles set out in the Restructuring Plan, thereafter quarterly cash payments (in arrears) from June 30, 2015.

- Accelerated repayment from cash sweep or sale of the Requested Security.

- Provision of the Requested Security (Chembulk/Coal Mine/shares in BULL (other than shares already pledged to other creditors or transferred to the US$ Bondholders pursuant to this Plan)/Teekay /BULL SPV Security/Teekay SPV Security) for the Working Capital Facility. Such Requested Security (other than the shares in Chembulk) shall be released by the MLA Lenders for necessary fund raisings subject to approval by the MLA Lenders and (i) the full repayment of the Working Capital Facility and (ii) the Cash Buffer being maintained.

- Provision of the BULL-Teekay SPV Security which will secure (i) the Working Capital Facility in Years 1 and 2 and (ii) up to US$17.2 million of the aggregate of the principal due to the MLA Lenders and the US$ Bondholders, and the interest payments to the MLA Lenders and the US$ Bondholders in Years 3 and 4.

- In the event that the BULL-Teekay SPV Security or any part thereof is realized in Years 3 or 4, the cumulative proceeds of any such realizations shall be shared as follows: First, in satisfaction of the costs and expenses of enforcement; Second, in satisfaction of all amounts due under the Working Capital Facility; Third, in satisfaction of amounts due to the US$ Bondholders and the MLA Lenders on a 50:50 basis so that each dollar of proceeds received shall be paid, as to 50% thereof, to or for the account at the US$ Bondholders and, as to 50%, to or for the account of the MLA Lenders, subject to a maximum amount of US$8.6 million each; and Fourth, any balance of proceeds of enforcement in excess of US$17.2 million shall be subject to the cash waterfall principles set out in the Restructuring Plan.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(i) Bank loans (continued)

a. DNB Bank ASA, Singapore, BNP Paribas, ING Bank N.V., NIBC Bank Ltd., Nordea Bank Finland Plc., Standard Chartered Bank, Skandinaviska Enskilda Banken AB (publ) - Mandated Lead Arrangers ("MLA") (continued)

- Enforcement of the BULL-Teekay SPV Security to satisfy payments of interest to the MLA Lenders and/or the US$ Bondholders in Years 3 and 4 shall not cause an event of default under the Restructuring Plan, nor shall an event of default occur if the proceeds of realization of the BULL-Teekay SPV Security, after application thereof towards repayment of the secured indebtedness, are sufficient to cover any such interest payments due and owing.

- Inter-creditor or subordination agreement to be signed between the MLA Lenders and the US$ Bondholders to govern their respective priorities and obligations in respect of the BULL-Teekay SPV Security in the manner set out in the preceding provisions.

- The Company and the MLA Lenders may agree by mutual consent to sell any of the secured vessels.

The Group has drawn down US$10.0 million from the US$19.4 million Working Capital Facility and has sold some vessels amounting to US$5.8 million for which the proceeds from these transactions were used as part of the payment for interest due on the MLA Loan.

The carrying value of the restructured loan from MLA Loan as of December 31, 2013 amounted to US$568.7 million including the US$10.0 million drawn from the Working Capital Facility. The effective interest rates for MLA loan and Working Capital Facility are 3.37% and 3.40%, respectively.

b. PT Bank Mandiri (Persero) Tbk

- Principal of Rp249.0 billion.

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Principal amortization over a repayment period commencing from April 1, 2013 to the 10th anniversary of the Restructuring Plan, the maturity date of any loan extended by any unsecured creditor (apart from the trade creditors), or March 31, 2023, whichever is the earliest to occur ("Maturity Date") with equal quarterly instalments commencing year 3 with the first installment starting June 30, 2015.

- Interest (3 month JIBOR + 7.5 %) capitalized from July 1, 2012 until March 31, 2014, then quarterly cash payments from June 30, 2014, provided that there is sufficient cash in Year 2 to (i) build up the US$25.0 million minimum cash buffer; (ii) pay cash interest on the Working Capital Facility; (iii) pay principal on the Working Capital Facility, and if any of these conditions are not met for any quarter in year 2, such payments of interest in year 2 will be capitalized and added to principal pursuant to the cash waterfall principles set out in the Restructuring Plan.

- The rights of Mandiri to call an event of default in respect of this Plan are as follows: If Mandiri still holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of principal and interest after year 2; or If Mandiri no longer holds security over any vessel owned or operated by BLT, an event of default can be called for non-payment of interest and principal after year 4.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(i) Bank loans (continued)

b. PT Bank Mandiri (Persero) Tbk (continued)

- Accelerated repayment from cash sweep.

- The Company and BULL agreed that they will sell 6 vessels which are secured to Mandiri at a sales price agreed and acceptable to Mandiri, provided that Mandiri gives reasonable notice in providing its request and that the sale of the vessels is conducted at an arm's length commercial transaction and that the sales price is at the vessels' market value. In particular, BULL will provide Mandiri with a written agreement within 3 months from the date the Restructuring Plan was ratified by the Jakarta Court that it will agree to sell the vessels secured to Mandiri.

- 90.0% of the sales price of the two vessels shall be paid to Mandiri and 95.0% of the sales price of the remaining four vessels referred to above will be applied to reduce the outstanding principal due to Mandiri.

- In the event that the vessels are sold, the proceeds of such sale will be used to offset/pay the last principal installment (i.e., first payment for amortization in the year 10 followed by year 9 and thereafter) that is due to Mandiri and the maturity date of the amortized principal payments to Mandiri will be reduced accordingly.

- The Restructuring Plan shall not compromise any rights that Mandiri has with respect of the security in all secured vessels and the Company shall not object or hinder any attempts by Mandiri to sell these vessels, whether pursuant to its security or otherwise. The Company and BULL shall not object to any request by Mandiri to sell a vessel and will not object or hinder Mandiri's attempts to enforce or sell these vessels.

In 2013, proceeds from the sale of BULL vessels amounting to US$5.3 million were used to pay a portion of the interest due to Mandiri (Note 40). The carrying value of the restructured loan from Bank Mandiri as of December 31, 2013 amounted to US$19.8 million. The effective interest rate of loan from Bank Mandiri is 10.25%.

c. Dialease Maritime S.A./Mitsubishi UFJ Lease & Finance Co. Ltd.

- Dialease shall be treated as a secured creditor for purposes set out in the Restructuring Plan.

- Principal of US$15.1 million or the remaining amount (if any) after the transfer of secured vessel.

- Secured vessel to be transferred to a transferee on terms agreed with Dialease, with such transfer to occur at the port of Kaohsiung, ROC or other ports as directed by Dialease Maritime no later than April 15, 2013.

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Amortization by bullet payment on March 31, 2023.

- Interest (LIBOR + 2.0 %) capitalized from July 1, 2012 until March 31, 2013, then quarterly cash payments (in arrears) from June 30, 2013, unless payments of interest are capitalized pursuant to the cash waterfall principles set out in the Restructuring Plan.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(i) Bank loans (continued)

c. Dialease Maritime S.A./Mitsubishi UFJ Lease & Finance Co. Ltd. (continued)

- Accelerated repayment from cash sweep.
- New equity of the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

The Group sold its secured vessel for the loan of Dialease for US$16.0 million in consideration for the payment of a portion of the loan (Note 5). Subsequent to the sale of the vessel, Dialease was then classified as unsecured creditor (Note 44). The carrying value of the restructured loan from Dialease as of December 31, 2013 amounted to US$6.6 million. The effective interest rate of loan from Dialease is 2.15%.

d. PT Bank Mizuho Indonesia

- Principal of US$13.7 million.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Principal amortization over a repayment period commencing from April 1, 2013 to the maturity date which is (i) the 10th anniversary from the date the Restructuring Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from trade creditors), or (iii) March 31, 2023, whichever is the earliest to occur with 32 equal quarterly installments commencing the 3rd year with the first installment starting June 30, 2015.
- Interest (LIBOR + 1.5 %) will be capitalized from July 1, 2012 until March 31, 2014, then quarterly cash payments from June 30, 2014, provided that there is sufficient cash in year 2 to (i) build up the US$25.0 million minimum cash buffer, (ii) pay cash interest on the Working Capital Facility, (iii) pay principal on the Working Capital Facility, and if any of these conditions are not met for any quarter in Year 2, such payments of interest in Year 2 will be capitalized and added to principal pursuant to the cash waterfall principles set out in the Restructuring Plan.
- The rights of Mizuho to call an event of default in respect of this Restructuring Plan are as follows: if Mizuho still holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of principal and interest after year 2; or if Mizuho no longer holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of principal and interest after Year 4.
- Accelerated repayment from cash sweep.
- The Company agrees that it will sell the vessel which is secured to Mizuho with mutual consent of Mizuho at a sales price agreed and acceptable to Mizuho, provided that Mizuho gives reasonable notice in providing its request and that the sale of a vessel is conducted at an arm’s length commercial transaction and that the sales price is at the vessel’s market value.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(i) Bank loans (continued)

d. PT Bank Mizuho Indonesia (continued)

- In the event that the vessel is sold, the proceeds of such sale will be used to offset/pay the last principal installment that is due to Mizuho and the due date of the amortized principal payments owed to Mizuho will be reduced accordingly.

- This Restructuring Plan shall not compromise any rights that Mizuho has in respect of the security in all secured vessel(s) and the Company shall not object or hinder any attempts by Mizuho to sell these vessel(s), whether pursuant to its security or otherwise.

The carrying value of the restructured loan from Bank Mizuho as of December 31, 2013 amounted to US$12.1 million. The effective interest rate of loan from Bank Mizuho is 4.79%.

e. Clio Marine Inc./Mitsui Bank

- Principal of JPY3.3 billion or equivalent to US$41.2 million.

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Amortization over a repayment period commencing from April 1, 2013 to the 10th anniversary of the Restructuring Plan, the maturity date of any loan extended by any unsecured creditor (apart from the trade creditors), or March 31, 2023, whichever is the earliest to occur (“Maturity Date”) with equal quarterly instalments commencing year 3.

- Interest (LIBOR + 4.0 %) capitalized from July 1, 2012 until March 31, 2013, then quarterly cash payments from June 30, 2013, unless payments of interest are capitalized pursuant to the cash waterfall principles set out in the Restructuring Plan.

- Repayment of principal is to be structured as a sale of secured vessel to CMI and time charter back of the vessel to Chembulk Trading II LLC.

- Obligations under the loan agreement will be novated to BLT Chembulk Corp.

- The Company shall guarantee the obligations of BLT Chembulk Corp. and Chembulk Trading II LLC.

- Accelerated repayment from cash sweep.

Pursuant to the Restructuring Plan, the loan was restructured as a repayment of principal in consideration of the sale of the subsidiary’s vessel for US$25.9 million. The vessel is leased back to Chembulk Trading II LLC, which was accounted for as a finance lease (Note 25). The remaining obligations under the loan agreement amounting to US$12.1 million were novated to BLT Chembulk Corp.

The carrying value of the restructured loan from CMI as of December 31, 2013 amounted to US$10.6 million. The effective interest rate of loan from CMI is 4.19%.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(i) Bank loans (continued)

f. PT Bank Central Asia Tbk

- Principal of Rp44.4 billion equivalent to US$4.7 million.

- Forgive all outstanding and unpaid interest prior to July 1, 2012.

- Principal amortization over a repayment period commencing from April 1, 2013 to the maturity date which is (i) the 10th anniversary from the date the Restructuring Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from trade creditors), or (iii) March 31, 2017, whichever is the earliest to occur with 32 equal quarterly installments commencing the 3rd year with the first installment starting June 30, 2015.

- Interest (3-month JIBOR + 5.25 %) capitalized from July 1, 2012 until March 31, 2014, then quarterly cash payments from June 30, 2014, provided that there is sufficient cash in Year 2 to (i) build up the US$25.0 million minimum cash buffer, (ii) pay cash interest on the Working Capital Facility, (iii) pay principal on the Working Capital Facility, and if any of these conditions are not met for any quarter in Year 2, such payments of interest in Year 2 will be capitalized and added to principal pursuant to the cash waterfall principles set out in the Restructuring Plan.

- The rights of BCA to call an event of default in respect of the Restructuring Plan are as follows: if BCA still holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of principal and interest after Year 2; or If BCA no longer holds security over any vessel owned or operated by the Company, an event of default can be called for non-payment of interest and principal after Year 4.

- Accelerated repayment from cash sweep.

- The Company agrees that it will sell the secured vessels by mutual consent of BCA at a sales price agreed and acceptable to BCA, provided that BCA gives reasonable notice in providing its request and that the sale of a vessel is conducted as an arm’s length commercial transaction and the sales price is at the vessel’s market value.

- Payment to BCA of 95.0% of the sales price of 2 vessels will be applied to reduce outstanding principal due to BCA.

- In the event that the vessel(s) are sold, the proceeds of such sale(s) will be used to offset/pay the last principal installment that is due to BCA and the maturity date of the amortized principal payments to BCA will be reduced accordingly.

- This Restructuring Plan shall not compromise any rights that BCA has in respect of the security in all secured vessel(s) and the Company shall not object or hinder any attempts by BCA to sell these vessel(s), whether pursuant to its security or otherwise.

The carrying value of the restructured loan from BCA as of December 31, 2013 amounted to US$4.3 million. The effective interest rate of loan from BCA is 12.41%.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(i) Bank loans (continued)

Pursuant to the Restructuring Plan, the Group classified the above restructured bank loans as non-current liabilities in 2013. Total gain on restructuring recognized by the Group from the restructured bank loans amounted to US$6.2 million. The value of equity assigned for the unsecured portion of bank loans was included in the Group valuation of equity shares to be issued to unsecured creditors (Note 44).

(ii) BULL Loans

Pursuant to the Restructuring Plan and deconsolidation of BULL, all loans payable related to BULL were derecognized in the Group's consolidated financial statements. The following loans were derecognized as well as the related accrued interest (Note 6):

	US$'000
Merill Lynch (Asia Pacific) Ltd	35,747
PT Bank Negara Indonesia (Persero) Tbk	28,965
Deutsche Investitions Und Entwicklungsgesellschaf mbH	24,414
Indonesia Eximbank	19,935
PT Bank Syariah Mandiri/PT Bank Syariah BRI/PT Bank Muamalat Indonesia Tbk/PT Bank Pembangunan Daerah Jawa Timur Tbk Divisi Usaha Syariah (BSMI)	12,554
PT Bank Syariah Mandiri/PT Bank Pembangunan Daerah Jawa Timur Tbk/PT Bank Muamalat Indonesia Tbk/ PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk Syariah (BSMS)	11,074
PT Bank Mega Tbk	10,251
Total	**142,940**

The Group has outstanding pledge security for the loan payable to Merrill Lynch Ltd. Pursuant to the Restructuring Plan, MLOR's claims will remain unaffected and MLOR will be entitled to deal with its security in accordance with the terms and conditions set out in the security documents. Upon the successful restructuring of BULL and/or enforcement of security, MLOR shall release the guarantees provided by the Company in relation to the loan facility and cease to be a creditor of the Company. In that event, MLOR shall not be entitled to receive any payments under the Restructuring Plan from the Company and/or any of its subsidiaries (except for BULL and its subsidiaries).

As of the reporting date, BULL is still undergoing debt restructuring of its obligations which include MLOR to exercise its rights over the security and release the Company from its obligation with MLOR (Note 42).

(iii) Termination of derivatives

Following the events of early termination of contracts, the counter-parties of the Group to derivative transactions submitted their respective claims under PKPU. Pursuant to the Restructuring Plan, such liabilities arising from the termination of the derivative transactions fall under the class of unsecured creditors.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(iii) Termination of derivatives (continued)

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured derivative claims using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the derivative creditors are binding and set out as follows (Note 44):

- Total claims of US$98.5 million.
- Amortization by bullet payment on March 31, 2023.
- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10, with quarterly cash payment (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

Pursuant to the Restructuring Plan, the Group classified the restructured claims from termination of derivative transactions under non-current liabilities in 2013.

One of the Group's liabilities from derivative transactions was secured by 14.7% interest in investment in BULL. In November 2013, this creditor exercised its rights over the shares which resulted in the decrease of the Group's investment in BULL (Note 6).

The carrying value of the restructured loans arising from termination of derivative transactions as of December 31, 2013 amounted to US$76.1 million. The effective interest rate for liabilities arising from termination of derivative transactions is 4.85%. Total gain on restructuring recognized by the Group from these claims amounted to US$37.7 million. The value of equity assigned for these claims was included in the Group valuation of equity shares to be issued to unsecured creditors (Note 44).

(iv) PT Bagusnusa Samudra Gemilang

The loan from Bagusnusa was restructured in accordance with the provisions of the Restructuring Plan for intercompany claims.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured related party loan using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for intercompany creditors are binding and set out as follows (Note 44):

- Total claims of US$13.7 million.
- No payments or satisfaction will be made until all existing secured and unsecured creditors are repaid in full.
- No voting rights in the PKPU or otherwise assert or make any claims upon the Group.

21. LOANS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

(iv) PT Bagusnusa Samudra Gemilang (continued)

Pursuant to the Restructuring Plan, the Group classified its liabilities to Bagusnusa under non-current liabilities in 2013. The carrying value of the restructured loan from Bagusnusa as of December 31, 2013 amounted to US$8.2 million. The effective interest rate of loan from Bagusnusa is 3.14%. Gain on restructuring recognized by the Group for this restructured loan amounted to US$3.7 million

(v) Teekay BLT Corporation and Teekay Corporation

As of December 31, 2013, the loans from Teekay BLT Corporation and Teekay Corporation remained due and demandable since the settlement agreement was only finalized on February 1, 2014 (Note 48).

As of December 31, 2013, the outstanding balance of loans from Teekay BLT Corporation and Teekay Corporation amounted to US$13.8 million and US$12.7 million, respectively.

22. BONDS PAYABLE

	December 31, 2013 US$'000	December 31, 2012 US$'000
U.S. dollar bonds:		
12% Guaranteed Bonds*	102,364	-
Zero Coupon Guaranteed Bonds*	38,028	-
Rupiah bonds:		
Berlian Laju Tanker III Bonds	44,139	72,389
Berlian Laju Tanker IV Bonds	21,439	35,160
Sukuk Ijarah I	12,611	20,683
Sukuk Ijarah II	6,306	10,341
Total	**224,887**	**138,573**
Current	-	138,573
Non-current	224,887	-
Total	**224,887**	**138,573**

**These are convertible bonds that were reclassified as bonds payable in 2013 (Note 31).*

(I) BEFORE RESTRUCTURING PLAN (Prior to March 22, 2013)

a. Berlian Laju Tanker III Bonds

On July 5, 2007, the Company issued rupiah bonds totaling Rp700.0 billion with fixed interest rate of 10.4% per annum payable every three months. The bonds are unsecured with a term of 5 (five) years due on July 5, 2012. The Bondholders' right is pari-passu without preferential rights with other creditors of the Company. All the bonds were sold at nominal value and are listed on the BEI with PT Bank Mandiri (Persero) Tbk ("Mandiri") as the trustee.

On December 18, 2007, the Bondholders approved the replacement of Mandiri as trustee and the appointment of PT Bank CIMB Niaga Tbk ("CIMB") as the new trustee.

On March 17, 2008, CIMB issued a notice for the Company's failure to comply with one of the covenants under the Trustee Agreement which is to maintain a ratio of net debt to equity of not more than 2.5:1.

22. BONDS PAYABLE (continued)

(I) BEFORE RESTRUCTURING PLAN (Prior to March 22, 2013) (continued)

a. Berlian Laju Tanker III Bonds (continued)

On June 16, 2008, the Bondholders approved to amend the debt covenant on the net debt to equity ratio in the Trustee Agreement from 2.5:1 to 4.5:1 for the year ending December 31, 2008 and 3.5:1 after December 31, 2008.

There are no ratings for the bonds as of December 31, 2013 and December 31, 2012 due to the debt restructuring of the Company.

b. Berlian Laju Tanker IV Bonds

On May 29, 2009, the Company issued rupiah bonds totaling Rp400.0 billion, consisting of three series bonds: (i) the series A bonds with a nominal value of Rp60.0 billion, bearing fixed interest rate of 14.25% per annum and are due on May 28, 2010, (ii) the series B Bonds with a nominal value of Rp150.0 billion, bearing a fixed interest rate of 15.5% per annum and are due on May 28, 2012 and (iii) the series C Bonds with a nominal value of Rp190.0 billion, bearing fixed interest rate of 16.25% per annum and are due on May 28, 2014. Interest is paid quarterly.

These bonds are unsecured and the Bondholders' right is pari-passu without preferential rights with the other creditors of the Company. At any time after the first anniversary of the bonds, the Company can redeem the bonds at prevailing market price.

The Company is also required to comply with several covenants, which include among others, a net debt to equity ratio of 3.5:1. All of the bonds were sold at nominal value and are listed on the BEI with CIMB as the trustee.

On May 28, 2010, the Company redeemed and retired the Series A Bonds at principal amount of Rp60.0 billion.

There are no ratings for the bonds as of December 31, 2013 and December 31, 2012 due to the debt restructuring of the Company.

c. Sukuk Ijarah I

On July 5, 2007 the Company issued Sukuk Ijarah totaling to Rp200.0 billion. The Sukuk Ijarah are unsecured with a term of 5 years, due on July 5, 2012. These bonds were offered under the condition that the Company shall pay to Sukuk Ijarah holders a sum of Ijarah Benefit Installment amounting to Rp20.6 billion per annum. The Sukuk Ijarah Bondholders' right is pari-passu without preferential rights with the other creditors of the Company. At anytime after the first anniversary of the Sukuk Ijarah, the Company may redeem the bonds at the prevailing market price. All Sukuk Ijarah were sold at nominal value and are listed on the BEI with Mandiri as the trustee.

On December 18, 2007, the Bondholders approved the replacement of Mandiri as trustee and the appointment of CIMB as the new trustee.

On March 17, 2008, CIMB, issued a notice for the Company's failure to comply with one of the covenants under the Trustee Agreement, which is to maintain a ratio between net debt to equity of not more than 2.5:1. Therefore, the Group classified all of the above liabilities as part of current liabilities as of December 31, 2012.

22. BONDS PAYABLE (continued)

(I) BEFORE RESTRUCTURING PLAN (Prior to March 22, 2013) (continued)

c. Sukuk Ijarah I (continued)

On July 4, 2008, the Bondholders approved to amend the debt covenant on the Net Debt to Equity Ratio on the Trustee Agreement from 2.5:1 to 4.5:1 for the year ending December 31, 2008 and 3.5:1 after December 31, 2008.

There are no ratings for the bonds as of December 31, 2013 and December 31, 2012 due to the debt restructuring of the Company.

d. Sukuk Ijarah II

On May 29, 2009 the Company issued Sukuk Ijarah II totaling Rp100.0 billion, consisting of two series of bonds: (i) the series A Bonds with nominal amount of Rp45.0 billion, due on May 28, 2012 which entitles the Bondholders to a sum of Ijarah Benefit Installment amounting to Rp155.0 million per annum for every Rp1.0 billion nominal amount and (ii) the series B Bonds with nominal amount of Rp55.0 billion, due on May 28, 2014 which entitles the Bondholders to a sum of Ijarah Benefit Installment of Rp162.5 million per annum for every Rp1.0 billion nominal amount.

These Sukuk Ijarah are unsecured and the Bondholders' right is pari-passu with the other creditors of the Company. At any time after the first anniversary of the Sukuk Ijarah II, the Company may redeem the bonds at prevailing market price. The Company is also required to comply with several covenants, which include among others, a net debt to equity ratio of 3.5:1. All the bonds were sold at nominal value and are listed on the BEI, with CIMB as the trustee.

There are no ratings for the bonds as of December 31, 2013 and December 31, 2012 due to the debt restructuring of the Company.

On January 27 2012, the trustee declared events of default for Berlian Laju Tanker III Bonds, Berlian Laju Tanker IV Bonds, Sukuk Ijarah I and Sukuk Ijarah II following the Company's announcement of the debt standstill on January 26, 2012. Therefore, the Group classified all of the above liabilities as part of the current liabilities as of December 31, 2012.

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013)

Following the events of default, the Bondholders submitted their respective claims under the PKPU. Pursuant to the Restructuring Plan, the Bondholders fall under the class of unsecured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the restructured bonds using appropriate interest rates determined by management at current prevailing rates applicable to the Group. The respective restructured terms with Bondholders under the Restructuring Plan are binding and set out as follows (Note 44):

a. Berlian Laju Tanker III Bonds and Sukuk Ijarah I (Rp900.0 billion 2012 Bonds)

- Principal of Rp900.0 billion equivalent to US$95.5 million.
- Amortization by bullet payment on March 31, 2023.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Interest to be capitalized as part of principal from July 1, 2012 until March 31, 2015.

22. BONDS PAYABLE (continued)

(II) AFTER RESTRUCTURING PLAN (After March 22, 2013) (continued)

a. Berlian Laju Tanker III Bonds and Sukuk Ijarah I (Rp900.0 billion 2012 Bonds) (continued)

- Interest rate of 5.0% in Years 1 to 3, 7.0% in Years 4 to 7, 9.0% in Years 8 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles as set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity of the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

b. Berlian Laju Tanker IV Bonds and Sukuk Ijarah II (Rp440.0 billion 2015 Bonds)

- Principal of Rp440.0 billion equivalent to US$46.7 million.
- Amortization by bullet payment on March 31, 2023.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Interest to be capitalized as part of principal from July 1, 2012 until March 31, 2015.
- Interest rate of 5.0% in Years 1 to 3, 7.0% in Years 4 to 7, 9.0% in Years 8 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles as set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity of the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

Pursuant to the Restructuring Plan, the Company reclassified all of its bonds payables under non-current liabilities as of December 31, 2013.

The carrying value of restructured Rp900.0 billion 2012 bonds and Rp440.0 billion 2015 bonds as of December 31, 2013 amounted to US$65.6 million and US$18.9 million, respectively. The effective interest rate of bonds is 10.64%. Total gain on restructuring recognized by the Group for these restructured bonds amounted to US$59.9 million.

The values of equity assigned for these bonds were included in the Group valuation of equity shares to be issued to unsecured creditors (Note 44).

23. NOTES PAYABLE

On May 4, 2007, BLT Finance B.V. (BLTF BV), a subsidiary, issued Guaranteed Senior Notes (the Notes) amounting to US$400.0 million with fixed interest rate of 7.5% per annum payable every six months (in arrears) commencing on November 15, 2007. The Notes are due on May 15, 2014. The Notes are offered at 100.0% of the nominal value and are listed in SGX. The Notes are unconditionally and irrevocably guaranteed on a senior basis by the Company and certain subsidiaries.

The Notes may be redeemed at the option of BLTF BV as follows:

a. At any time prior to May 15, 2011 up to 35.0% of the Notes with the net proceeds of one or more public equity offerings at a redemption price of 107.5% of their principal amount plus accrued and unpaid interest provided certain conditions are met;

b. On or after May 15, 2012, all or any portion of the Notes at a redemption price equal to 100.0% of the principal amount plus the Applicable Premium (as defined in the Terms and Conditions of the Notes) as of, and accrued and unpaid interest if any, to the date of redemption;

c. From May 15, 2012 until May 14, 2013, all or part of the Notes at a redemption price equal to 103.8% of the principal amount plus the accrued and unpaid interest if any, to the date of redemption;

d. From May 15, 2013 until May 14, 2014, all or part of the Notes at a redemption price equal to 100.0% of the principal amount plus accrued and unpaid interest if any, to the date of redemption, or

e. At any time in the event of certain changes affecting taxation in Indonesia or in the Netherlands, in whole at their principal amount plus all additional amounts due as of, and accrued and unpaid interest if any, to the date of redemption.

In the occurrence of a change in control, the holders of the Notes have the right to require BLTF BV to redeem all or some of the Notes at 101.0% of the principal amount plus the accrued and unpaid interest if any, to the date of redemption.

The Notes are measured at fair value on initial recognition and at each reporting date because of the embedded call and put options.

On July 17, 2012, HSBC Bank, USA National Association, as the trustee, declared an event of default and demanded accelerated payment of BLTF BV's obligations in accordance with the indenture. Hence, the subsidiary adjusts the carrying amounts of notes payable to their redemption value in 2012.

The changes in the balance of notes payable are as follows:

	December 31, 2013	December 31, 2012
	US$'000	US$'000
Beginning balance	400,000	164,000
Capitalized interest as part of principal	59,118	-
Effect of present value computation	(95,207)	-
Adjustment to redemption value (Note 36)	-	236,000
Ending balance	**363,911**	**400,000**
Current	-	400,000
Non-current	363,911	-
Total	**363,911**	**400,000**

23. NOTES PAYABLE (continued)

Following the event of default, the trustee submitted its claim under the PKPU. Pursuant to the Restructuring Plan, the US$ Bondholders fall under the class of unsecured creditors (Note 44).

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured notes payable using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the US$ Bondholders are binding and set out as follows:

- Principal of US$400.0 million.

- Amortization by bullet payment on March 31, 2023.

- Interest to be capitalized as part of principal from 1 July 1, 2012 until March 31, 2015.

- Payment in kind (PIK) interest of 2.0% per annum in Years 1 to 10, payable in Year 10. Cash interest rate of 1.0% in Years 3 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan.

- 3.0% of shares in BULL ("High Yield (HY) BULL Shares") assuming the Company retains approximately 17.8% of the total issued shares in BULL (immediately before the transfer of any such shares to the US$ Bondholders). However, in the event that the Company retains less than 17.8% of the total issued share capital in BULL, then the amount of the HY BULL Shares shall for the purposes of this Restructuring Plan, be reduced on a pro-rata basis, based on the reduced percentage of total issued shares in BULL that the Company holds (e.g., if the Company retains approximately 10.0% of the total issued shares in BULL, then the HY BULL Shares shall be {(10.0%/17.8% x 3.0%)=1.7%)} and provided always that the HY bull shares may not be reduced to less than 2.0% of the ordinary shares in BULL). If the HY Bull shares are reduced to less than 3.0% of the ordinary shares in BULL, the Company shall either issue new shares ("HY Company Shares") to a maximum 2.0% of the enlarged share capital of the Company or provide other assets to make up shortfall on each case as agreed upon by the US$ Bondholders in respect of HY BULL shares.

- Provision of the BULL-Teekay SPV Security which will secure (i) the Working Capital Facility in Years 1 and 2 and (ii) up to US$17.2 million of the aggregate of the principal due to the MLA Lenders and the US$ Bondholders, and the interest payments to the MLA Lenders and the US$ Bondholders in Years 3 and 4 up to US$17.2 million.

- In the event that the BULL-Teekay SPV Security or any part thereof is realized in Year 3 or 4, the cumulative proceeds of any such realizations shall be shared as follows; First, in satisfaction of the costs and expenses of enforcement; Second, in satisfaction of all amounts due under the Working Capital Facility; Third, in satisfaction of amounts due to the US$ Bondholders and the MLA Lenders on a 50:50 basis so that each dollar of proceeds received shall be paid, as to 50.0% thereof, to or for the account of the US$ Bondholders and, as to 50.0% thereof, to or for the account of the MLA Lenders, subject to a maximum of US$8.6 million each; and Fourth, any balance of the proceeds of enforcement in excess of US$17.2 million shall be subject to the cash waterfall principles set out in the Restructuring Plan.

- Enforcement of the BULL-Teekay SPV Security to satisfy payments of interest to the MLA Lenders and/or the US$ Bondholders in Year 3 and Year 4 shall not cause an event of default under the Plan, nor shall an event of default occur if the proceeds of the realization of the BULL-Teekay SPV Security are, after application thereof towards repayment of the secured indebtedness, sufficient to cover any such interest payments due and owing.

23. NOTES PAYABLE (continued)

- Inter-creditor or subordination agreement to be signed between the MLA Lenders and the US$ Bondholders to govern their respective priorities and obligations in respect of the BULL-Teekay SPV Security in the manner set out in preceeding provisions.

- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

As of the date of this report, BULL is still under the debt restructuring process. Because of this, the Company is still unable to determine the percentage of BULL shares that will be retained by the Company and the additional new shares that will be issued to the US$ Bondholders.The accompanying 2013 consolidated financial statements do not include any adjustments that might result for the outcome of this uncertainty.

Pursuant to the Restructuring Plan, the Group reclassifies its notes payable under non-current liabilities in 2013. The carrying value of restructured notes payable as of December 31, 2013 amounted to US$363.9 million. The effective interest rate of notes payable is 4.85%. Gain on restructuring recognized by the Group for the restructured notes payable amounted to US$86.4 million.

The value of equity assigned for the notes payable was included in the Group valuation of equity shares to be issued to unsecured creditors (Note 44).

24. OTHER PAYABLES

	December 31, 2013 US$'000	December 31, 2012 US$'000
Liabilities arising from termination of lease contracts (Note 25)	179,645	227,873
*Derivative financial instruments	-	126,468
Claims for vessels repairs and fuel purchases	12,814	-
Other claims:		
Liabilities arising from exchange agreement for tax lease scheme	8,682	9,237
Liabilities arising from termination of vessel construction in progress (Note 5)	7,642	25,209
Others	1,099	1,226
*Teekay BLT Corporation	-	13,800
*PT Bagusnusa Samudra Gemilang	-	13,777
*Teekay Corporation	-	10,045
Total	**209,882**	**427,635**
Current	7,193	427,635
Non-current	202,689	-
Total	**209,882**	**427,635**

**Such other payables have been reclassified to loans payable in 2013 (Note 21).*

In 2012, other payables include liabilities arising from termination of derivative financial instruments amounting US$126.5 million (Note 21).

24. OTHER PAYABLES (continued)

a. Liabilities arising from termination of lease contracts

The Group has termination of finance and operating lease contracts amounting to US$208.5 million, reclassification of trade accounts payable to “Other payables” account amounting to US$17.4 million and interest expense amounting to US$1.9 million in 2012 using the effective interest rate under the Restructuring Plan (Notes 25 and 36).

The Group also has vessel lease contracts that are classified as operating leases (Note 42). Thirteen operating lease contracts have been terminated due to default on payments of the operating leases in 2012.

Following the early termination of lease contracts, the lease creditors submitted their respective claims under PKPU. Pursuant to the Restructuring Plan, such liabilities arising from termination of lease contracts fall under the class of lease creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured lease claims using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the lease creditors are binding and set out as follows:

- Total claims of US$203.4 million (includes unpaid hires).
- Amortization by bullet payment on March 31, 2023.
- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10 with quarterly cash payments (in arrears) from June 30, 2015, subject to the provisions of the cash waterfall principles set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- Any amounts paid to lease creditors under the restructured lease agreements will be offset against the amount to be paid in Year 10.
- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

The carrying amount of the restructured liabilities arising from terminations of contracts as of December 31, 2013 amounted to US$179.6 million. The effective interest rate for liabilities arising from terminations of contracts is 4.85%. Total gain on restructuring recognized by the Group for the liabilities arising from termination of lease contracts amounted to US$47.9 million.

The value of equity assigned for this loan was included in the Group valuation of equity shares to be issued to unsecured creditors (Note 44).

Pursuant to the Restructuring Plan, the Company will consent to a further adjudication of the claims submitted by certain lease creditors during BLT’s PKPU process by an independent adjudicator to be mutually agreed by both parties. These claims were previously adjudicated by an independent adjudicator appointed by the Company at the PKPU Administrators’ request. As of reporting date, the total amount of claims for further adjudication under the Restructuring Plan is US$48.8 million. The management does not expect there will be a material increase in the debt payable to these creditors arising from a further adjudication of these claims.

24. OTHER PAYABLES (continued)

b. Claims for vessels repairs and fuel purchases

In 2012, the Group defaulted on payments to various trade creditors related to repairs and maintenance of vessels and purchases of fuel. These trade payables were then reclassified to other payables while the Group was under-going negotiation with such trade creditors.

In 2013, the Group entered into settlement agreements with its respective creditors regarding these liabilities. The terms of repayment schedules follow the provision in the Restructuring Plan on settlement of payments over a 5-year term.

The carrying amount of the restructured liabilities arising from vessel repairs and fuel purchases as of December 31, 2013 amounted to US$12.8 million.

c. Other claims

The Group also has other significant liabilities from defaults on various agreements such as exchange agreement for tax lease scheme, termination of contracts for construction of vessels and others. In 2012, the Group defaulted on these contracts following the debt standstill.

Following the events of default, the creditors submitted their respective claims under the PKPU. Pursuant to the Restructuring Plan, such liabilities arising from other payables fall under the class of unsecured creditors.

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured lease claims using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the other claims are binding and set out as follows:

- Total claims of US$22.1 million.
- Amortization by bullet payment on March 31, 2023.
- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10 with quarterly cash payments (in arrears) from June 30, 2015, subject to the provisions of the cash waterfall principles set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.

The carrying amount of the restructured liabilities arising from other claims as of December 31, 2013 amounted to US$17.4 million. The effective interest rates for liabilities arising from other claims ranges from 2.69% to 3.14%. Total gain on restructuring recognized by the Group for other claims amounted to US$5.6 million.

The value of equity assigned for other claims was included in the Group valuation of equity shares to be issued to unsecured creditors (Note 44).

25. OBLIGATIONS UNDER FINANCE LEASE

	2013		2012	
	Minimum lease payments	**Present value of minimum lease payments**	**Minimum lease payments**	**Present value of minimum lease payments**
	US$ '000	**US$ '000**	**US$ '000**	**US$ '000**
Less than 1 year	35,346	15,302	34,292	13,873
2 - 5 years	210,799	164,339	210,746	147,280
More than 5 years	35,818	33,637	100,981	94,790
Subtotal	281,963	213,278	346,019	255,943
Less future finance charges	(68,685)	-	(90,076)	-
Net	**213,278**	**213,278**	**255,943**	**255,943**
Current maturities	35,346	15,302	34,292	13,873
Non-current portion	246,617	197,976	311,727	242,070
Total	**281,963**	**213,278**	**346,019**	**255,943**

The finance leases relate to leases with terms of 4 to 15 years with effective interest rates of between 4.2% and 10.0% on which the subsidiaries have options to purchase the vessels for an amount below the expected fair values at the conclusion of the lease agreements and/or the present value of minimum lease payments approximates the fair value of the leased asset at the inception of the lease. The subsidiaries' obligations under finance lease are secured by the vessels.

In 2012, the Group defaulted on payments under some finance lease agreements and accordingly, those agreements had been terminated. Therefore, the Group recognized the reduction of finance lease liabilities amounting to US$111.9 million and assets under finance lease amounting to US$80.1 million. The difference between the present value of minimum lease payments of vessels and carrying value of fixed assets under finance leases were recognized as a gain on termination of lease contract which was offset with the loss on claim by lease creditors on termination of lease contracts amounting to US$210.5 million (Note 36). The remaining security deposits of US$16.8 million and deferred rent of US$5.1 million were recognized as loss on seller's credit (Note 36).

26. PROVISION FOR POST-EMPLOYMENT BENEFITS

The Group has unfunded post-employment benefits for its qualifying employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefits is 98 in 2013 and 245 in 2012. The component of net employee benefits expense recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position for the provision for post-employment benefits as of December 31, 2013 and 2012, as determined by PT Padma Radya Aktuaria, an independent actuary, on its report dated August 5, 2014, are as follows:

a. Net employee benefits expense:

	For the Year Ended December 31,	
	2013	**2012**
	US$'000	**US$'000**
Current service cost	321	427
Interest expense on obligation	264	323
Employment benefits expense	**585**	**750**

26. PROVISION FOR POST-EMPLOYMENT BENEFITS (continued)

b. The movements of post-employment benefits liability is as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Beginning balance	6,424	5,935
Current service cost	321	427
Interest cost	264	323
Benefit paid	(29)	(75)
Actuarial gain	(1,200)	-
Loss of control of subsidiary	(2,328)	-
Adjustment due to movement of employees and data corrections	-	211
Effect of changes in foreign exchange rates	(888)	(397)
Ending balance	**2,564**	**6,424**
Current (presented under "Accrued expenses")	25	-
Non-current	2,539	6,424
Total	**2,564**	**6,424**

Management believes that the provision made is adequate to cover the Group's employee benefits obligation.

c. Changes in the present value of the defined benefit obligation are as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Beginning balance	5,931	5,442
Employee benefits expense	585	750
Benefit paid	(29)	(75)
Actuarial gain	(707)	-
Loss of control of subsidiary	(2,328)	-
Adjustment due to movement of employees and data corrections	-	211
Effect of changes in foreign exchange rates	(888)	(397)
Ending balance	**2,564**	**5,931**

d. Relevant amounts for the current and prior periods are as follows:

	2013	2012	2011	2010	2009
	US$'000	US$'000	US$'000	US$'000	US$'000
Present value of benefit obligation	2,564	5,931	5,442	5,657	5,326
Experience adjustments	(160)	(314)	(143)	11	326
Change in financial assumptions	(457)	(381)	(124)	(66)	(65)

26. PROVISION FOR POST-EMPLOYMENT BENEFITS (continued)

e. The principal assumptions used in determining the long-term employee benefits liability as of December 31, 2013 and 2012 are as follows:

	December 31, 2013	December 31, 2012
Discount rate per annum	8.75%	5.75%
Salary increment rate per annum	8.0%	8.0%
Mortality rate	100.0%/TMI3	100.0%/TMI3
Resignation rate	10% per annum Until age 36 then Decreasing linearly to 0% at age 55	10% per annum Until age 36 then Decreasing linearly to 0% at age 55

f. The quantitative sensitivity analysis for significant assumptions as of December 31, 2013 is as follows:

	Discount rates		Future salary increases	
	Percentage	Effect on present value of benefits obligation	Percentage	Effect on present value of benefits obligation
		US$'000		US$'000
Increase	1%	(135)	1%	158
Decrease	(1%)	150	(1%)	(145)

g. The maturity profile of define benefit obligation as of December 31, 2013 is as follows:

	US$'000
Within one year	245
2-5 years	837
More than 5 years	2,314
Total	**3,396**

27. TAXATION

Details of taxes payable are as follows:

	December 31, 2013 US$'000	December 31, 2012 US$'000
Corporate income tax:		
The Company	-	-
Subsidiaries	(9)	60
Final tax payable:		
Article 15	31	96
Income taxes:		
Article 26	-	10
Article 21	223	674
Article 23	22	34
Article 4(2)	-	11
Article 25	1,195	2
Value Added Tax - net	20	320
Total	**1,482**	**1,207**

27. TAXATION (continued)

In relation to the loss of control of a subsidiaries, taxes payable amounting to US$1.0 million were deconsolidated in 2013 (Note 6).

Details of income tax benefit (expense) are as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Deferred income tax:		
The Company	(19,140)	1,596
Subsidiaries	(88)	(1,958)
Final tax - subsidiaries	-	(836)
Current tax - subsidiaries	(260)	(100)
Income tax expense - net	**(19,488)**	**(1,298)**

Final tax

The breakdown of final tax on revenues related to charter and operation of vessels of the Company is as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Income tax of subsidiaries	**-**	**836**
Payment during the year	-	740
Final tax payable	-	96
Total	**-**	**836**

The tentative computation of tax on revenues not subject to final tax is as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Income (loss) before income tax per consolidated statement of comprehensive income	197,899	(811,087)
Income (loss) before income tax of subsidiaries	(157,381)	765,769
Elimination of subsidiaries	(57,917)	5,177
Loss before tax of the Company	**(17,399)**	**(40,141)**
Temporary differences:		
Gain on debt restructuring	(67,659)	-
Depreciation of fixed assets	1,787	2,230
Employee benefits	(332)	(436)
Permanent differences:		
Loss of control of subsidiary	39,377	-
Interest income subjected to final tax	(1)	(187)
Gain on sale of fixed assets	-	18
Others	40,358	7,132
Tax loss of the company	**(3,869)**	**(31,384)**
Uncompensated prior year tax losses:		
2012	(31,384)	-
2011	(33,839)	(33,839)
Accumulated tax losses	**(69,092)**	**(65,223)**

27. TAXATION (continued)

	For the Year Ended December 31, 2013 US$'000	2012 US$'000
Current tax expenses at prevailing tax rate:		
The Company	-	-
Subsidiaries	-	100
Total	**-**	**100**
Less prepayment of tax:		
The Company (recorded as part of prepaid tax)	(58)	(47)
Subsidiaries	(9)	(40)
Total	**(67)**	**(87)**
Income tax payable - net	**-**	**13**
Consist of:		
Overpayment of tax	(67)	(47)
Income tax payable	-	60

The above amounts and disclosures are based on tentative calculations made by the Group.

In addition, the Company plans to revise the 2011 and 2012 annual tax returns in accordance with the 2012 tax loss amount as stated above. As of the date of this report, the Company has not yet finalized its 2013 Corporate income tax calculation, as well as its 2011 and 2012 revised annual tax returns. However, the Company has submitted its 2013 annual tax return (SPT) to the tax office based on the above tentative calculation of corporate income tax.

As of December 31, 2013, PT Brotojoyo Maritime has not yet obtained the approval from the Directorate General of Taxes to report their taxes in US$ (functional currency), therefore the taxable income (tax loss) calculation would be based on the comprehensive income in rupiah currency. The Company believes that the effect of translation of the taxes from rupiah to US$ attributable to PT Brotojoyo Maritimes is not material.

Deferred tax

The details and movements of the Group's deferred tax assets (liability) are as follows:

	January 1, 2013 US$'000	Credited (charged) to profit (loss) US$'000	Credited (charged) to OCI US$'000	Loss of control subsidiaries US$'000	December 31, 2013 US$'000
Fixed assets	(97)	(2,154)	(2,053)	3,319	(985)
Provision for post-employment benefits	1,137	(159)	(337)	-	641
Gain on debt restructuring	-	(16,915)	-	-	(16,915)
Net	**1,040**	**(19,228)**	**(2,390)**	**3,319**	**(17,259)**

	January 1, 2012 US$'000	Credited (charged) to profit (loss) US$'000	Credited (charged) to OCI US$'000	Loss of control subsidiaries US$'000	December 31, 2012 US$'000
Fixed assets	(2,383)	(1,392)	3,678	-	(97)
Provision for post-employment benefits	165	1,030	(58)	-	1,137
Net	**(2,218)**	**(362)**	**3,620**	**-**	**1,040**

27. TAXATION (continued)

Deferred tax assets are recognized in the consolidated financial statements if sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Group has unrecognized deferred tax assets for the following accounts:

	December 31, 2013	December 31, 2012
	US$'000	US$'000
Tax losses carried-forward	18,160	16,943
Impairment of vessels	7,658	7,946
Allowance for impairment loss of trade accounts receivable	654	15
Total	**26,472**	**24,904**

The tax losses carried-forward can be utilized against the taxable income for a period of five years subsequent to the year the tax loss was incurred. The Group has unrecognized deferred tax asset on tax loss amounting to US$18.2 million and US$16.9 million as of December 31, 2013 and 2012, respectively, since the Group does not have sufficient basis to determine the future tax benefit on such deferred tax asset.

Reconciliation between the income tax benefit (expense) and the amounts computed by applying the effective tax rate to the income (loss) before tax is as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Income (loss) before tax per consolidated statements of comprehensive income	197,899	(811,087)
Tax income (expense) at prevailing tax rate (25%)	(49,475)	202,772
Effects of:		
Income (loss) before tax of subsidiaries and elimination	52,597	(188,707)
Non-deductible expenses and non-taxable income - net	(10,089)	(6,788)
Loss of control of subsidiaries	(9,844)	-
Deferred tax recognized in previous years	(2,677)	1,148
Income and expenses subject to final tax - net	-	1,450
Unutilized tax losses carried-forward	-	(8,344)
Unrecognized prior years deferred tax on fixed assets	-	(1,960)
Final tax	-	(836)
Current tax of foreign subsidiaries	-	(33)
Income tax expense - net	**(19,488)**	**(1,298)**

As of the date of this report, the Group has not finalized its deferred tax calculation. The above deferred tax calculation and disclosure are based on a tentative calculation made by the Group.

28. TRADE ACCOUNTS PAYABLE

	December 31, 2013 US$'000	December 31, 2012 US$'000
By creditor		
Related parties (Note 40)		
Pan Union Agencies Pte. Ltd.	3,603	4,468
Thai Petra Transport Co. Ltd.	518	151
PT Arpeni Pratama Ocean Line	38	-
PT Garuda Mahakam Pratama	19	-
Others	334	313
Sub-total	**4,512**	**4,932**
Third parties		
Suppliers	39,635	65,926
Shipping agents	4,038	10,714
Sub-total	**43,673**	**76,640**
Total	**48,185**	**81,572**
By currency		
U.S. dollar	44,418	45,142
Singapore dollar	1,653	26,623
Rupiah	226	3,344
Yen	2	3,226
Other currencies	1,886	3,237
Total	**48,185**	**81,572**

Trade accounts payable represents liabilities to shipping companies as agents, to sub-agents and to suppliers for purchases of fuel and spare parts, vessel equipment, and other disbursements. All trade accounts payable are non-interest bearing, unsecured and normally due within 30 days.

In relation to the loss of control of subsidiaries, trade accounts payable amounting to US$23.8 million were deconsolidated in 2013 (Note 6).

29. ACCRUED EXPENSES

	December 31, 2013 US$'000	December 31, 2012 US$'000
Vessel operation and docking	17,630	20,399
Interest	1,213	105,809
Others	1,780	3,782
Total	**20,623**	**129,990**

In relation to the loss of control of subsidiaries, accrued expenses amounting to US$4.0 million were deconsolidated in 2013 (Note 6).

30. PROVISIONS

In 2013, the Group recognized provisions related to probable claims amounting to US$7.1 million on various undertakings of subsidiaries for which the Group is under negotiation. The Group determined its best estimate of liability arising from these transactions based on available information. The Group reassesses its estimates on an annual basis to consider new and relevant information that may become available.

The disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position and negotiation strategies with respect to these matters.

31. CONVERTIBLE BONDS

(i) US$125.0 million Guaranteed Convertible Bonds (Amended in 2010)

The convertible bonds are considered a hybrid instrument containing a debt host contract and embedded derivatives. At the time of issue, the US$125.0 million Zero Coupon Guaranteed Convertible Bonds due in 2012 were designated as financial liabilities at fair value through profit or loss with any resulting gain or loss recognized in profit or loss. The fair value at the end of the reporting period is determined based on quoted market price and may not be reflective of the amount that BLTF BV will have to pay to the bondholders to satisfy their conversion rights or upon redemption of the bonds.

On May 17, 2010, BLTF BV redeemed and retired US$76.1 million of the Zero Coupon Guaranteed Convertible Bonds due in 2012 at 116.8%. In December 2010, the bonds held by certain subsidiaries amounting to US$48.8 million were redeemed by BLTF BV and subsequently reissued to investors on December 1, 2010 at 96.0%.

On December 14, 2010, the terms and conditions of the US$125.0 million Zero Coupon Guaranteed Convertible Bonds due in 2012 were amended as described below:

- The Maturity Date is changed to February 10, 2015 and the bonds bear interest at the rate of 12.0% per annum.
- The Conversion Price is Rp409 per share with conversion period from June 27, 2007 to January 31, 2015.
- The number of shares to be delivered upon conversion will be determined by dividing the principal amount of the bonds to be converted (translated to rupiah at the fixed rate of Rp9,362 =US$1.00 (fixed exchange rate)) by the Conversion Price in effect at the Conversion Date.

Notwithstanding the conversion right of the bondholders, the Company and/or any of its subsidiaries have the option to pay the relevant bondholders an amount of cash in US$ equivalent to the weighted average market price of the shares converted, to satisfy the conversion right.

In addition, at the option of the issuer on or at any time after February 10, 2013 but not less than 20 days prior to the Maturity Date, redeem the bonds in whole but not in part at their principal amount, plus accrued interest as at the date of redemption, provided that no such redemption may be made unless the closing price of the shares on the BEI for each 20 consecutive Trading Days in any 30 consecutive Trading Day period immediately prior to the date upon which notice of such redemption is published is at least 130.0% of the Conversion Price then in effect.

BLTF BV will, at the option of the holder, redeem all or some of that holder's Bonds on February 10, 2012, at principal amount plus any accrued interest as at the date of redemption. Unless previously redeemed, converted or purchased, BLTF BV will redeem the bonds at their principal amount plus accrued interest on February 10, 2015.

31. CONVERTIBLE BONDS (continued)

(i) US$125.0 million Guaranteed Convertible Bonds (Amended in 2010) (continued)

The convertible bonds above were considered as a hybrid instrument containing a debt host contract and embedded derivatives. The Company's management also made an assessment of the embedded derivatives and decided to bifurcate the embedded derivatives which are not closely related to the host contract. The embedded derivatives are measured at fair value with changes in fair value recognized in profit and loss while the debt host contract was initially recognized at fair value and subsequently at amortized cost.

On June 29, 2012, HSBC Limited, Hong Kong, as the trustee, declared events of default of BLTF BV's bonds in accordance with the indenture, due to deferred payments of principal and interest. Hence, the subsidiary adjusted the carrying amounts of bonds payable to their redemption value and accounted for the conversion option value in accordance with the indenture. The conversion option value as of December 31, 2012 was nil.

Following the events of default, the trustee submitted its claim under the PKPU. Pursuant to the Restructuring Plan, the convertible Bondholders fall under the class of unsecured creditors (Note 44).

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured convertible bonds using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the convertible Bondholders are binding and set out as follows:

- Principal of US$48.9 million.
- Amortization by bullet payment on March 31, 2023
- Forgive all outstanding and unpaid interest prior to July 1, 2012.
- Interest to be capitalized as part of principal from July 1, 2012 until March 31, 2015
- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.
- Conversion rights to be given up for issuance of 0.56% equity in the Company.

In 2013, the debt was converted into a zero coupon bond due to the events of default related to deferred payments that occurred in 2012; therefore, all outstanding convertible bonds were reclassified to bonds payable (Note 22).

The carrying value of the restructured bonds as of December 31, 2013 amounted to US$38.0 million (Note 22). The effective interest rate for this bonds is 4.85%. Gain on restructuring recognized by the Group for these restructured bonds amounted to US$21.4 million. The value of equity assigned for these bonds was included in the Group valuation of equity share to be issued to unsecured creditors (Note 44).

31. CONVERTIBLE BONDS (continued)

(ii) US$125 Million 12.0% Guaranteed Convertible Bonds Due in 2015

On February 10, 2010 and March 29, 2010, BLT International Corporation (BLT IC), a subsidiary, issued 12.0% Guaranteed Convertible Bonds totaling to US$100.0 million and US$25.0 million, respectively. The bonds were issued at 100.0% of their face value and were unconditionally and irrevocably guaranteed by the Company.

The bondholders have the right to convert the bonds into ordinary shares of the Company, with par value of Rp62.50 each, at any time on or after March 23, 2010 up to January 15, 2015. The number of shares to be delivered upon conversion will be determined by dividing the principal amount of the bonds to be converted, translated into rupiah at a fixed rate of Rp9,362 to US$1, by the conversion price in effect at the time of the conversion date. The initial conversion price was Rp737 per share, which was subject to adjustments. In August 2010, BLT IC adjusted the conversion price to Rp409 per share. Notwithstanding the Conversion Right of the bondholders, BLT IC has the option to pay the relevant bondholders an amount of cash equivalent to the Cash Settlement Amount of the shares converted, at any time to satisfy the Conversion Right.

To the extent that the Company does not hold sufficient treasury shares or is unable to issue shares, BLT IC shall pay an amount of cash to the bondholders equivalent to the Mandatory Cash Settlement Amount, to satisfy the Conversion Rights.

BLT IC was to have redeemed, at the option of the bondholders, the bonds on February 10, 2013 at principal amount plus accrued interest.

The bond may also be redeemed at the option of BLT IC on or after February 10, 2013 at 100.0% of principal amount plus accrued interest.

The convertible bonds above were considered as a hybrid instrument containing a debt host contract and embedded derivatives. The Company's management also made an assessment of the embedded derivatives and decided to bifurcate the embedded derivatives which are not closely related to the host contract. The embedded derivatives are measured at fair value with changes in fair value recognized in profit and loss while the debt host contract was initially recognized at fair value and subsequently measured at amortized cost.

On July 20, 2012, HSBC Limited, Hong Kong, as the trustee, declared notice of accelerated payment of BLT IC's bonds in accordance with the indenture. Hence, the subsidiary adjusted the carrying amounts of convertible bonds to their redemption value and accounted for the conversion option value in accordance with the indenture. The conversion option value as of December 31, 2013 and 2012 is nil.

Following the event of default, the trustee submitted its claim under the PKPU. Pursuant to the Restructuring Plan, the convertible Bondholders fall under the class of unsecured creditors (Note 44).

Considering the effects of the Restructuring Plan, the Group discounted the forecasted cash flows related to the following restructured convertible bonds using appropriate interest rates determined by management at current prevailing interest rates applicable to the Group. The restructured terms under the Restructuring Plan for the convertible Bondholders are binding and set out as follows:

- Principal of US$125.0 million.
- Amortization by bullet payment on March 31, 2023.
- Forgive all outstanding and unpaid interest prior to July 1, 2012.

31. CONVERTIBLE BONDS (continued)

(ii) US$125 Million 12.0% Guaranteed Convertible Bonds Due in 2015 (continued)

- Interest to be capitalized as part of principal from July 1, 2012 until March 31, 2015.
- Interest rate of 1.0% in Years 1 to 4, 2.0% in Years 5 to 8, 3.0% in Years 9 to 10, with quarterly cash payments (in arrears) from June 30, 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan.
- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of the Company.
- Conversion rights to be given up for issuance of 1.44% equity in the Company.

In 2013, the debt was converted into a zero coupon bond due to the events of default related to deferred payments that occurred in 2012; therefore, all outstanding convertible bonds were reclassified to bonds payable (Note 22).

The carrying value of the restructured bonds as of December 31, 2013 amounted to US$102.4 million (Note 22). The effective interest rate for this bonds is 4.27%. Gain on restructuring recognized by the Group for these restructured bonds amounted to US$47.6 million. The value of equity assigned for these bonds was included in the Group valuation of equity shares to be issued to unsecured creditors (Note 44).

32. OPERATING REVENUES

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Operating revenues from:		
Chemical vessels	297,361	351,331
Gas vessels	23,970	52,268
Oil vessels	6,684	34,334
Floating Production, Storage and Offloading (FPSO) vessels	-	14,110
Others	1,445	753
Total	**329,460**	**452,796**

There were no revenues from a customer that exceeded 10.0% of total operating revenues.

33. VOYAGE EXPENSES

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Fuel	111,198	170,759
Port charges	45,514	66,171
Total	**156,712**	**236,930**

33. VOYAGE EXPENSES (continued)

0.7% and 1.3% of the above voyage expenses in 2013 and 2012, respectively, were from related parties (Note 40). There were no expenses from a specific party that exceeded 10.0% of the total voyage expenses.

34. SHIP OPERATING EXPENSES

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Vessel crew salaries	29,487	56,789
Spare parts	5,714	6,186
Insurance	5,056	11,236
Transportation	5,024	4,907
Lubricant	4,235	3,973
Management fee	4,110	4,154
Repairs and maintenance	3,885	15,058
Processing of documents	2,028	1,603
Vessel crew meal allowances	1,918	2,916
Supplies	1,477	1,962
Docking expenses	676	4,151
Others	7,697	7,635
Total	**71,307**	**120,570**

There were no expenses from a specific party that exceeded 10.0% of the total ship operating expenses.

35. ADMINISTRATIVE EXPENSES

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Professional fees	18,401	8,660
Salaries	11,540	15,152
Provision for impairment loss of receivables (Note 12)	8,644	2,854
Office expenses	1,869	3,212
Transportation	1,444	1,173
Representation	1,087	582
Depreciation (Note 5)	418	529
Telecommunication	365	719
Marketing	352	443
Employee benefits (Note 26)	585	750
Bank charges	207	346
Training and education	21	63
Others	3,266	3,505
Total	**48,199**	**37,988**

36. OTHER GAINS (LOSSES)

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Impairment loss on assets (Note 6)	(76,488)	-
Reversal of impairment (revaluation decrease) (Note 5)	49,159	(144,198)
Loss on loss of control of subsidiaries (Note 6)	(41,349)	(9,847)
Impairment of goodwill (Note 10)	(11,441)	(24,514)
Provision for various claims (Note 30)	(7,113)	-
Gain on disposal of fixed assets (Note 5)	871	31,574
Provision for a claim loss on derivative Transactions (Note 21)	(779)	(965)
Adjustment to redemption value of notes payable and convertible bonds (Notes 23 and 31)	-	(240,517)
Loss on termination of vessel lease contracts (Note 25)	-	(210,473)
Loss on seller's credit	-	(21,899)
Loss on termination of vessel construction in progress (Note 5)	-	(18,124)
Loss on disposal of other financial assets and changes in their fair value (Note 6)	-	(9,426)
Others	5,573	(4,991)
Total	**(81,567)**	**(653,380)**

37. INTEREST INCOME

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Current accounts and others	138	158
Time deposits	4	195
Total interest income	142	353
Others	-	47
Total	**142**	**400**

38. FINANCE COST

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Borrowings	78,150	154,648
Obligations under finance lease	21,178	22,929
Total	**99,328**	**177,577**

39. EARNINGS (LOSS) PER SHARE

The Group's computation for basic earnings/loss per share for 2013 and 2012 is as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Income (loss) attributable to owners of the Company	177,496	(811,944)
Weighted average number of outstanding shares	11,550,831,470	11,550,831,470
Basic earnings (loss) per share	**0.015**	**(0.070)**

39. EARNINGS (LOSS) PER SHARE (continued)

The Group's computation for dilutive earnings/loss per share for 2013 and 2012 is as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Income (loss) attributable to owners of the Company	177,496	(811,944)
Weighted average number of outstanding shares	11,550,831,470	11,550,831,470
Effect of dilution:		
Weighted average number of shares to be issued to creditors (Note 44)	3,529,895,185	-
Weighted average number of shares adjusted for the effect of dilution	15,080,726,655	11,550,831,470
Diluted earnings (loss) per share	**0.012**	**(0.070)**

Diluted earnings per share amounts are calculated by dividing the net profit (loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average of shares that would be issued to the creditors under the Restructuring Plan.

There have been no other transactions involving outstanding shares or dilutive potential shares between the reporting date and the date of authorization of these consolidated financial statements.

40. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Nature of relationship

- PT Bagusnusa Samudra Gemilang is the ultimate parent and controlling party of the Group.
- Thai Petra Transport Co. Ltd. is an associated entity of the Group.
- Teekay BLT Corporation is joint venture
- PT Garuda Mahakam Pratan is a company under common control of PT Bagusnusa Samudra Gemilang.
- PT Buana Listya Tama Tbk and PT Arpeni Pratama Ocean Line Tbk are companies owned by closed family members of the controlling part of PT Bagusnusa Samudra Gemilang.
- Pan Union Agencies Pte. Ltd. and Pan Union Shipping Pte. Ltd. are companies that are directly or indirectly owned by Ms. Siana Anggraeni Surya, one of the Company's Directors.

40. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with related parties

The Group, in the regular conduct of its business, has engaged in transactions with related parties. The outstanding balances with related parties are as follows:

	Amount		Percentage to the respective total consolidated assets and liabilities	
	December 31,		December 31,	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Trade accounts receivable (Note 12):				
PT Arpeni Pratama Ocean Line Tbk	-	107	-	0.01%
Pan Union Shipping Pte. Ltd.	-	96	-	0.01%
PT Garuda Mahakam Pratama	-	38	-	0.00%
Total	**-**	**241**	**-**	**0.02%**
Trade accounts payable (Note 28):				
Pan Union Agencies Pte. Ltd.	3,603	4,468	0.18%	0.19%
Thai Petra Transport Co. Ltd	518	151	0.03%	0.01%
PT Arpeni Pratama Ocean Line	38	-	0.00%	-
PT Garuda Mahakam Pratama	19	-	0.00%	-
Others	334	313	0.02%	0.01%
Loans payable (Note 21):				
Teekay BLT Corporation	13,800	13,800	0.71%	0.58%
PT Bagunusa Samudra Gemilang	8,181	13,777	0.42%	0.58%
Due to a related party:				
PT Buana Listya Tama Tbk	89,309	-	4.61%	-
Total	**115,802**	**32,509**	**5.97%**	**1.36%**

Due to the deconsolidation of BULL, the Group recognized an amount due to BULL of US$89.6 million in the 2013 consolidated statement of financial position. The Group's transaction with BULL in 2013 pertained to the sale of BULL's vessel the proceeds of which were used to settle a portion of accrued interest of the Group amounting to US$5.3 million. As of reporting date, the Group and BULL are still in the reconciliation process for the above related party balance.

In relation to the PKPU, the Company plans to restructure its intercompany claims (Note 44). As of reporting date, the intercompany claims are not yet restructured.

Voyage expenses incurred with related parties are as follows:

	Amount		Percentage to the respective total consolidated revenues	
	For the Year Ended December 31,		For the Year Ended December 31,	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Voyage expenses:				
Pan Union Agencies Pte. Ltd.	387	1,804	0.12%	0.40%
Thai Petra Transport Co. Ltd	467	980	0.14%	0.22%
PT Arpeni Pratama Ocean Line	97	204	0.03%	0.05%
PT Garuda Mahakam Pratama	100	140	0.03%	0.03%
Total	**1,051**	**3,128**	**0.32%**	**0.69%**

40. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with related parties (continued)

Total compensation of the Company's key management (commissioners and directors) during the year is as follows:

	For the Year Ended December 31,	
	2013	2012
	US$'000	US$'000
Short-term benefits	963	1,367
Post-employment benefits	301	262
Total	**1,264**	**1,629**

41. SEGMENT INFORMATION

Information reported to the chief operating decision-maker for the purpose of resources allocation and assessment of segment performance focuses on type of products or services delivered or provided. The Group's reportable segments are engaged, based on type of vessels chartered, in chemical, gas oil, FPSO and others.

The following summary describes the operations in each of the reportable segments:

a. Chemical tankers provide maritime transportation of liquid chemical (organic and non-organic) and vegetable oil and animal fats.

b. Gas tankers provide maritime transportation of liquefied gas, which include, among others, LPG, propylene, propane and LNG.

c. Oil tankers provide maritime transportation of lubricating oil (base oil and additives), crude oil and petroleum products.

d. FPSO provides floating tanker facility for production, storage and off-loading of oil.

The accounting policies of the reportable segments are the same as the Group accounting policies described in Note 2 to consolidated financial statements. Segment profit represents the profit earned by each segment without allocation of administrative expenses, finance cost, investment income, and share in profits (losses) of associates, and other gains and losses. This is the measure reported to the Directors as the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance.

The following tables show the analysis of the Group's reportable segments:

Segment assets and liabilities

	December 31, 2013	December 31, 2012
	US$'000	US$'000
Segment assets		
Chemical	605,917	615,371
Gas	95,371	169,715
Oil	5,981	123,473
FPSO	-	28,003
Others	12,238	4,191
Total	719,507	940,753
Non-current assets classified as held-for-sale	-	135,008
Unallocated assets and eliminations	88,924	47,961
Consolidated	**808,431**	**1,123,722**

41. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

	December 31, 2013	December 31, 2012
	US$'000	US$'000
Segment liabilities		
Chemical	261,706	300,422
Gas	4,760	49,372
Oil	1,853	13,226
FPSO	-	1,027
Others	20,850	106,509
Total	289,169	470,556
Unallocated liabilities and eliminations	1,649,222	1,923,205
Consolidated	**1,938,391**	**2,393,761**

Segment revenues and expenses

	For the Year Ended December 31, 2013						
	Chemical	Gas	Oil	FPSO	Others	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment revenue							
External revenue	297,361	25,215	6,684	-	3,274	(3,074)	329,460
Segment expenses							
Voyage expenses	150,663	3,965	1,241	16	827	-	156,712
Charter expenses	15,601	1,245	-	428	651	(1,245)	16,680
Vessel operating expenses	55,078	12,769	3,028	334	1,927	(1,829)	71,307
Vessel depreciation	36,609	6,806	1,933	735	-	-	46,083
Impairment of goodwill	11,441	-	-	-	-	-	11,441
Total segment expenses	269,392	24,785	6,202	1,513	3,405	(3,074)	302,223
Segment profit (loss)	**27,969**	**430**	**482**	**(1,513)**	**(131)**	**-**	**27,237**
Unallocated							
Administrative expenses							(48,199)
Gain on debt restructuring							317,070
Foreign exchange gain - net							53,565
Share in profits of associates and joint venture							13,788
Gain on extinguishment of debt							3,750
Finance cost							(99,328)
Interest income							142
Other losses - net							(70,126)
Consolidated income before income tax							**197,899**

41. SEGMENT INFORMATION (continued)

Segment revenues and expenses (continued)

	For the Year Ended December 31, 2012						
	Chemical	Gas	Oil	FPSO	Others	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment revenue							
External revenue	351,332	58,449	34,334	14,110	5,960	(11,389)	452,796
Segment expenses							
Voyage expenses	216,245	5,887	14,798	-	-	-	236,930
Charter expenses	24,974	6,181	1,278	751	-	(6,181)	27,003
Vessel operating expenses	81,777	18,438	16,932	3,423	5,208	(5,208)	120,570
Vessel depreciation	46,790	13,715	8,287	1,218	-	-	70,010
Impairment of goodwill	24,514	-	-	-	-	-	24,514
Total segment expenses	394,300	44,221	41,295	5,392	5,208	(11,389)	479,027
Segment profit (loss)	**(42,968)**	**14,228**	**(6,961)**	**8,718**	**752**	**-**	**(26,231)**
Unallocated							
Administrative expenses							(37,988)
Foreign exchange gain - net							53,104
Share in profits of associates and joint venture							6,071
Finance cost							(177,577)
Interest income							400
Other losses - net							(628,866)
Consolidated loss before income tax							**(811,087)**

There were no revenues from a customer that exceeded 10.0% of the total revenues. Segment revenue reported above represents revenue generated from external customers.

41. SEGMENT INFORMATION (continued)

Other segment information

	Depreciation		Capital expenditures	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Chemical	36,609	46,790	3,102	32,847
Gas	6,806	13,715	837	2,749
Oil	1,933	8,287	-	1,661
FPSO	735	1,218	-	-
Consolidated	**46,083**	**70,010**	**3,939**	**37,257**

Geographical segment information

The Group is domiciled in two main geographical areas namely, Malaysia and Indonesia.

	December 31, 2013			
	Malaysia	Indonesia	Unallocated and eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000
Assets and liabilities				
Total segment assets	687,567	31,940	88,924	808,431
Total segment liabilities	(287,904)	(1,265)	(1,649,222)	(1,938,391)
Net assets (liabilities)	**399,663**	**30,675**	**(1,560,298)**	**(1,129,960)**

	For the Year Ended December 31, 2013			
	Malaysia	Indonesia	Eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000
Revenues				
External revenues	312,603	16,857	-	329,460
Inter-segment revenues	1,829	1,245	(3,074)	-
Total revenues	**314,432**	**18,102**	**(3,074)**	**329,460**

	December 31, 2012			
	Malaysia	Indonesia	Unallocated and eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000
Assets and liabilities				
Total segment assets	686,814	253,939	182,969	1,123,722
Total segment liabilities	(437,714)	(32,842)	(1,923,205)	(2,393,761)
Net assets (liabilities)	**249,100**	**221,097**	**(1,740,236)**	**(1,270,039)**

	For the Year Ended December 31, 2012			
	Malaysia	Indonesia	Eliminations	Consolidated
	US$'000	US$'000	US$'000	US$'000
Revenues				
External revenues	381,867	70,929	-	452,796
Inter-segment revenues	5,208	6,181	(11,389)	-
Total revenues	**387,075**	**77,110**	**(11,389)**	**452,796**

41. SEGMENT INFORMATION (continued)

Unallocated and eliminations

Investments in associates, joint venture and AFS financial assets as well as corporate liabilities are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis

Inter-segment revenues are eliminated on consolidation.

Reconciliation of assets

	December 31, 2013 US$'000	December 31, 2012 US$'000
Segment assets	**719,507**	**940,753**
AFS financial assets	62,601	34,302
Investment in associates and joint venture	24,876	11,088
Prepaid expenses and taxes	1,447	1,531
Deferred tax assets	-	1,040
Non-current assets classified as held-for-sale	-	135,008
Total	**808,431**	**1,123,722**

Reconciliation of liabilities

	December 31, 2013 US$'000	December 31, 2012 US$'000
Segment liabilities	**289,169**	**470,556**
Short-term loans	-	48,923
Loans payable	732,815	725,992
Bonds payable	224,887	138,573
Notes payable	363,911	400,000
Convertible bonds	-	173,899
Other payables	209,882	301,167
Provision for post-employment benefits	2,564	6,424
Deferred tax liabilities	17,259	-
Due to a related party	89,309	-
Derivative financial instruments	-	126,468
Provisions	7,113	-
Dividends payable	-	552
Taxes payable	1,482	1,207
Total	**1,938,391**	**2,393,761**

42. SIGNIFICANT COMMITMENTS

a. The Group has several long-term charter contracts with third parties with varying contract amounts ranging from US$1.0 million - US$5.0 million per year which will end in 2014 - 2016.

b. In 2012, Chembulk Trading II LLC, a subsidiary, as a lessee, entered into three operating lease agreements for use of chemical vessels amounting to US$2.0 million - US$6.0 million which will end between 2014 and 2016. Charter expenses related to these operating leases amounted to US$3.4 million and US$1.4 million in 2013 and 2012, respectively. As of report date, all three operating leases are still active.

   As of December 31, 2013 and 2012, the Group has outstanding commitments under non-cancellable charter contracts scheduled as follows:

	December 31, 2013 US$'000	December 31, 2012 US$'000
Within one year	12,940	9,881
More than one year but less than five years	29,443	11,628
More than five years	5,440	-
Total	**47,823**	**21,509**

c. In April 2008, Chembulk Tankers LLC, a subsidiary, obtained an irrevocable Standby Letter of Credit (SBLC) facility from ING Bank N.V., Singapore Branch amounting to US$29.2 million. Such SBLC is secured by MT Gas Bangka and a subsidiary's available funds in ING bank (Note 9). This is reduced periodically by US$3.6 million which will mature on January 19, 2019. The SBLC facility amounted to US$22.0 million and US$25.6 million in 2013 and 2012, respectively. As of report date, no draw down has been made to this SBLC.

   Pursuant to the PKPU, the restructured terms under the Restructuring Plan for the SBLC facility are summarized below:

   - The SBLC facility of US$25.6 million will be restructured in accordance with the terms to be separately agreed between the Company and ING Bank N.V., Singapore (ING).

   - The restructured facility will be secured by securities which comprise of: (i) a first priority mortgage and first priority assignment of the earnings and insurance of Gas Bangka; (ii) all cash held in a cash collateral account with ING; and (iii) all cash held in an earnings account with ING and any other securities provided to ING under the existing facility agreement. Cash in (ii) and (iii) shall not be included in the calculation of excess cash for the purposes of the cash waterfall and cash sweep under the Restructuring Plan.

   - Earnings of the subsidiary's vessel shall continue to be paid into the earnings account held with ING and shall not be subject to the cash waterfall and cash sweep provisions in the Plan nor included in the calculation of excess or surplus cash for the purposes of the cash waterfall and cash sweep under the Restructuring Plan.

   - The excess earnings of the subsidiary vessel, after payments of (i) ship manager's costs (as per approved budget); (ii) on-going SBLC commissions; (iii) reasonable operating expenses (as approved by ING); (iv) insurance premiums (including reimbursement of MII) will be used to: (1) to pay unpaid commissions (including any default payments) under this facility; (2) the build-up of a cash buffer, up to a maximum equal to the amount of commission to be paid under this facility for the next 2 quarters; (3) the build-up of a survey reserve on a separate survey account (to be pledged to ING) for the purpose of meeting the costs for the next survey of subsidiary vessel. The calculation method for such survey reserve and quarterly build-up to be agreed upon; (4) to top up the cash collateral until the security ratio is equal to 1.

42. SIGNIFICANT COMMITMENTS (continued)

- The security ratio is the ratio of the outstanding total amount of ING's actual and contingent liability under this facility to the aggregate of (i) the value of the vessel; and (ii) all cash collateral in either the earning account, the cash collateral account or other accounts held by ING as security for this facility but excluding the cash buffer and cash in survey account mentioned above; and all excess earnings, which cause the security ratio to be more than 1, will be freely available to the Company as long as, and to the extent that immediately after release of the cash, the security ratio will not drop below 1 and no event of default has occurred or is continuing since the date of the restructuring.

d. On September 22, 2011, BULL entered into a US$50.0 million loan facility agreement with Merill Lynch (Asia Pacific) Ltd. as the Structuring Agent, DBS Bank Limited as Facility Agent, DBS Trustee Limited as Offshore Security Agent, PT Bank DBS Indonesia as Onshore Security Agent and the Company and BULL's subsidiaries as its guarantors.

The Company owns a majority of the issued share capital of BULL and BULL owns the entire issued share capital of each of the guarantors (its subsidiaries) either directly or indirectly via its shareholding in one of its subsidiaries. Each of the guarantors has requested that the lenders make the loan available to BULL and agreed to provide a guarantee in respect of the loan. In addition, each of the guarantors has entered into this agreement, for the purpose of providing certain representations, warranties and covenants in favor of the lenders.

In 2012, BULL defaulted in the loan due to its failure to pay and non-compliance with the financial covenants set out in the facility agreement. The Company, acting as guarantor, pledged its BULL shares empowering the Onshore Security Agent to sell the pledged shares at any time when an event of default is continuing. Further, BULL and the Company shall ensure that all dividend charges, fees or other distributions which are in the form of cash on or in respect of BULL's shares are paid into the offshore dividend account.

Pursuant to the Restructuring Plan, Merill Lynch (Asia Pacific) Ltd. will be entitled to deal with its security. Upon the successful completion of the enforcement of security, Merill Lynch (Asia Pacific) Ltd. shall release the guarantees provided by the Company in relation to the loans provided to BULL and Merill Lynch (Asia Pacific) Ltd. shall not receive any payment under the Restructuring Plan from the Company and/or any of its subsidiaries (except BULL or BULL subsidiaries). The fair value of the pelged shares as of December 31, 2013 amounted to US$23.9 million recorded under "AFS financial asset" account (Note 6). In the event Merill Lynch (Asia Pacific) Ltd executed the enforcement of security, the Company will offset the fair value of investments given up with the outstanding balance of due to BULL amounting to US$89.3 million as of December 31, 2013 (Note 40).

43. LITIGATIONS

a. On January 26, 2012, following the covenant breach of an agreement covering a loan granted to one of the subsidiaries for which the Company is a guarantor, the Company declared a debt standstill on all of the Group's bank loans, bonds, lease and derivative agreements and other financial obligations , to enable the Group to review its financial position and arrangements. BULL and its creditors are excluded from the debt standstill. Accordingly, several of the Group's creditors declared events of default as described in Notes 21, 22, 23, 24 and 31 to the consolidated financial statements. On June 14, 2012, Mandiri filed a petition for PKPU proceedings against the Company in the Central Jakarta Commercial Court.

43. LITIGATIONS (continued)

- PKPU Proceedings in Indonesia (continued)

  On March 14, 2013, the requisite majority of the secured and unsecured creditors of the Company voted to approve a plan put forward by the Company for the restructuring of its debts as part of the PKPU process overseen by the Central Jakarta Commercial Court. The Restructuring Plan was subsequently ratified by the Central Jakarta Commercial Court on March 22, 2013.

  On March 28, 2013, six related Indonesian bondholders filed an appeal to the Supreme Court of the Republic of Indonesia ("Supreme Court") against the decision of the Central Jakarta Commercial Court in ratifying the Restructuring Plan. On July 25, 2013, the Supreme Court dismissed the PKPU appeal of the six Indonesian bondholders.

  On June 16, 2014, the Supreme Court issued a judgment which set out the grounds for its rejection of the PKPU appeal filed by the six Indonesian bondholders.

- Chapter 11 Proceedings in the United States

  On December 14, 2012, Gramercy entities (major bondholder of the US$ secured bonds) filed for Chapter 11 Proceedings in the US Bankruptcy Court ("US Court").

  On March 7, 2013, the Company reached an agreement with Gramercy pursuant to which the Chapter 11 proceedings would be indefinitely stayed pending a final order being granted in Chapter 15 proceedings.

- Chapter 15 proceedings in the United States

  On March 26, 2013, following the ratification of the Company's Restructuring Plan by the Central Jakarta Commercial Court, the Company filed a petition under Chapter 15 of the United States Bankruptcy Code to recognize the PKPU proceedings as foreign main proceedings.

  On May 21, 2013, the US Court granted recognition of the Indonesian PKPU proceedings as foreign main proceedings. The order for recognition is accompanied by a permanent injunction on all litigation and enforcement proceedings against the Company within the US. The next step in the Chapter 15 process is for the Company to file an application seeking enforcement of the Restructuring Plan in the US.

- Section 210 (10) proceedings in Singapore

  On September 13, 2013, following the ratification of the Company's Restructuring Plan by the Central Jakarta Commercial Court, the Singapore High Court granted certain subsidiaries of the Company ("Relevant Subsidiaries") to convene meetings of the creditors for the purposes of approving a scheme of arrangement between each Relevant Subsidiary and its creditors.

  The Relevant Subsidiaries' proposals under their respective schemes of arrangement are part of the implementation of the restructuring initiatives set out in the Restructuring Plan proposed by the Company and approved by the Indonesian courts in the Company's PKPU process. The terms being proposed to each of the Relevant Subsidiaries' creditors under the schemes of arrangement mirror, insofar as possible, the terms proposed to similarly placed creditors of the Company under the Restructuring Plan. The schemes of arrangement do not concern any bank borrowings of the Company or its subsidiaries, which are being restructured separately.

43. LITIGATIONS (continued)

b. On December 14, 2005, the Company obtained a US$13.0 million loan facility (Loan) from Teekay Corporation (Teekay). The Loan is secured in the form of an equitable mortgage, alternatively, an equitable charge over 500 shares in BLT LNG Tangguh Corporation (Shares) held by Diamond Pacific International Corporation (Security Agreement).

   Between November 22, 2011 and February 22, 2012, the Company failed to meet outstanding interest and principal repayments amounting to a total of US$1.0 million. On February 23, 2012, Teekay gave notice to the Company that the failure to pay the aforementioned amounts constituted an event of default and demanded the immediate repayment of the accelerated Loan amount of US$10.5 million. However, no repayment was forthcoming and on February 29, 2012, Teekay commenced proceedings in the Commercial Court of England (English Court) against the Company to recover the accelerated loan amount.

   On July 6, 2012, Teekay obtained a summary judgment in respect of the full amount of its claim by Order of Mr. Justice Popplewell. The judgment remains unsatisfied and the Events of Default set out above remain unremedied and unwaived. Teekay subsequently took steps to enforce its equitable mortgage/charge under the Second Priority Pledge. On October 10, 2012, Teekay Corporation passed a shareholders' resolution to replace all the representative officers of the Group in Teekay BLT Corporation with officers from Teekay Corporation and on October 11, 2012, Teekay filed a petition in the English Court to seek a Court-directed sale of the Shares.

   Therefore, Teekay was entitled to enforce its equitable mortgage/charge under the Security Agreement. On October 11, 2012, Teekay, which is seeking a Court-directed sale of the Shares, claimed that the Shares are worth no more than US$11.1 million including further costs of enforcement since July 6, 2012, which are owed to Teekay as at October 10, 2012 (Shares' Value). On November 26, 2012, the Company filed a Defense, denying the Shares' Value stating that, based on a discounted cash flow basis of valuation, the said Share's Value is approximately US$52.4 million. On May 10, 2013, the Company filed an Amended Defense, reinforcing the valuation.

   On February 7, 2013, the English Court ordered for the trial of the claims before a Judge between December 1, 2013 and February 28, 2014.

   On February 1, 2014, a settlement agreement was set out between Teekay and the Company (Note 48).

c. On March 7, 2013, Golden Pacific International & Holding(s) Pte. Ltd. (GPIH), owner of the MT Golden Ambrosia vessel, issued a Letter of Demand to the Group to recover payment owed to it for outstanding charter hire and additional expenses, amounting to US$7.1 million. On August 14, 2013, GPIH completed the full submission of supporting documents related to the claims for adjudication by the Company.

   As of this report date, the above matter is still under its adjudication process and management is not able to assess the final outcome of the adjudication process. However, the management believes it is more conservative to record a liability for the transaction and decided to accrue the obligation.

In 2012, the Group was unable to disclose further information in relation to the legal proceedings or their respective outcomes since the rules of the arbitration body handling these legal proceedings did not allow the disputing parties to disclose the legal proceedings to third parties without prior consent of all parties to the arbitration proceedings.

The Group's management represents that there are no other ongoing legal cases or arbitration insofar as they are aware which are faced by the Group in addition to those disclosed above.

44. OVERVIEW OF THE RESTRUCTURING PLAN

On March 22, 2013, the Company's Restructuring Plan was ratified by the decision of the Central Jakarta Commercial Court under Case No. 27/PKPU/2012/PN. NIAGA. JKT. PST, wherein all parties must abide by and perform the terms of the Restructuring Plan and the Company will be discharged from the PKPU proceedings.

Prior to the ratification of the Restructuring Plan, there were ongoing restructuring steps taken such as business preservation, cash management improvement, fleet restructuring including renegotiation of leases, tonnage allocation, sale of non-profitable vessels, appointment of third party ship management, sales of ethylene vessels, office rationalization, efficiency of general and administration expenses and the management of operational vessels.

Further, the Company agreed with the MLA for a working capital facility of a certain amount, part of which will provide the necessary funding other than funding derived from the sales proceeds of vessels to perform necessary restructuring initiatives. In connection with this working capital facility, the MLA Lenders have set out a number of requirements as a condition for providing the funds, the security, addressing the Group's structure, the secured shares, changes in management, sales of certain vessels, monitoring accountant and assessment of tax implications on restructuring.

PKPU creditors under the Restructuring Plan are classified as follows: (1) secured creditors, comprising of Mandiri, BCA, Deutsche Bank, AG., Bank Mizuho and MLOR; and (2) unsecured creditors, comprising of HSBC Bank USA (trustee of notes payable), HSBC Hong Kong Limited (trustee of convertible bonds), Bank CIMB Niaga Tbk (trustee of bonds payable), Gramercy Distressed Opportunity Fund (Gramercy) (bondholders), Cowell & Lee Asia Credit Opportunity Fund (bondholders) and others. The majority of secured and unsecured creditors have agreed to the Restructuring Plan. The ratified Restructuring Plan provides/prescribes, among others:

a. The Plan has been developed in the face of a number of adverse factors such as the following:

   - challenging and persistently poor shipping market conditions;
   - severe working capital crisis and the need to fund for restructuring initiatives from operating cash flows;
   - simultaneous financial restructuring of BULL, application of Chapter 11 petition by Gramercy against the Company in New York; and
   - maritime law requirements and processes in different jurisdictions.

b. The Plan is based upon a fundamental analysis of forecast earnings (taking into account current performance and market forecasts) and having regard to each creditors' relative positions including security rights, vessel earnings, currency and stipulated requirements.

c. The Plan relies on key assumptions such as the availability of additional working capital, the successful completion of restructuring initiatives, market growth assumption, future sale of assets, renewal of aging chemical tankers and increasing fleet size by time chartering.

d. The key drivers of improved performance on the forecast are changing better than expected freight rates and/or lower bunker prices.

44. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

e. On the basis that the improved EBITDA is achieved, a proposal for sharing of the surplus cash among the creditors (to amortize debt), while retaining sufficient cash for important capital expenditure initiatives (fleet replenishment) had been developed. A cash flow waterfall will be implemented based upon the payments to be made as stated in the Restructuring Plan.

f. A cash sweep shall be implemented semi-annually with respect to surplus cash after payments on the cash flow waterfall are made and the working capital facility is fully paid. The cash sweep enables additional principal repayments to be applied to the outstanding balance (in reverse order) with respect to outstanding secured and unsecured creditors and allocation to a capital expenditures reserve on a pro-rata basis as stated in the Restructuring Plan.

g. Key observations from such assumptions and analysis include; (i) secured creditors will be paid substantially quicker by Year 6; (ii) liabilities to unsecured creditors are amortized substantially over the 10-year period commencing Year 3; (iii) the capital expenditure reserve is expected to build up to allow fleet replenishment primarily from cash reserves; and (iv) no capital expenditure requirements in Years 1 to 5.

h. The key principles underpinning the restructuring of the Company's debt are set out as follows:

- Secured creditors will retain 100.0% of their principal debt which will all be denominated in US$ or Rp (as the case may be except for the MLA Lenders whose debt shall at all times remain denominated in US$) with repayments extended up to 10 years in line with the earnings of their vessels;

- Interest rate margins will remain in accordance with original debt facilities but will reflect US$ or Rp cost of the funds;

- The Company and any of the secured creditors may, by mutual consent, convert the currency of their principal debt at any time;

- Unsecured creditors will retain 100.0% of their principal debt, with a bullet repayment in Year 10;

- Interest rates are increased over time in line with forecasts and available funds with interest rates for both Rp and US$ denominated debt reflecting an appropriate currency differential;

- Trade suppliers will receive payments up to 80.0% of the outstanding amounts over 5 years; and

- Fund raising of a certain amount during the 10-year period.

i. The outstanding amount to each of the secured and unsecured creditors voted on the Plan (the Plan Creditors) for the purposes of the PKPU is determined by reference to the Daftar Piutang Tetap (PKPU Creditor List) confirmed by the Supervisory Judge on December 5, 2012 or any subsequent, amended or revised Daftar Piutang Tetap confirmed by the Supervisory Judge (except for certain lease creditors who have agreed or will agree with the Company to have the value of their claim determined by an independent adjudicator). Where there is insufficient cash to pay a quarterly installment of interest or principal owing to a secured creditor, that secured creditor may, in its discretion, by notice in writing to the Company, agree to add the amount of that installment to the next quarterly installment rather than demand immediate payment.

44. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

j. A summary of the revised proposed terms for unsecured creditors are as follows:

- Interest payments are subject to a maximum LTV (Loan To Value) of 100.0% on the MLA Lenders' loan facility whereby (Loan To Value) LTV is determined based on the value of the collateralized vessels mortgaged to the MLA Lenders ("LTV Test");

- Unsecured creditors shall not be entitled to call an event of default for any non-payment of interest occurring at the earlier of April 1, 2017, or until such time as the LTV on the MLA Lenders' facility is 70.0% or less, whichever is earlier;

- New equity in the Company will be issued and distributed pro-rata among all unsecured creditors. The total new equity available to unsecured creditors will be 25.0% of the enlarged share capital of BLT with estimated fair value of US$23.3 million or 3,949,158,321 shares; and

- Equity in the Company equivalent to a total of 315,932,666 shares or estimated value of US$1.9 million will be issued to the holders of the US$48.9 million Guaranteed Convertible Bonds and US$125 Million 12.0% Guaranteed Convertible Bonds for the conversion rights to be given up by the bond holders.

k. Upon approval of the Restructuring Plan by the Court, the Company will obtain recognition of the Restructuring Plan and the PKPU process under Chapter 15 of the United States Bankruptcy Code. The subsidiaries of the Company which have taken out applications under Section 210 (10) of the Companies Act intend to present schemes of arrangement to give effect to the principal and relevant terms of this Restructuring Plan in respect of that particular subsidiary, provided that the MLA Lenders support this course of action. Where necessary, the Relevant Subsidiaries of the Company which successfully put in place schemes of arrangement under Section 210 of the Companies Act intend to obtain recognition of those schemes under Chapter 15 of the United States Bankruptcy Code.

l. The Company and the Plan Creditors agree to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents as may be required by law or as may be necessary to implement and/or give effect to the Restructuring Plan and the transactions contemplated thereby. For the avoidance of doubt, the MLA Lenders are not considered to be the Restructuring Plan Creditors. They will enter into a separate term sheet and definitive restructuring documentation with the borrower and guarantors of the MLA facility with terms and provisions that are consistent with the provisions of this Plan.

   ING Bank N.V. is also not considered to a Plan Creditor. It will enter into a separate term sheet and definitive restructuring documentation with obligors of SBLC with terms and provisions that are consistent with the provisions of this Plan while MLOR, which is a creditor of the Company, will not receive any payments under the Restructuring Plan without the completion of a separate transaction pursuant to BULL'S restructuring to deal with their claims and security. For as long as the Company's obligations under this Restructuring Plan remain outstanding, the Company undertakes that it shall not do certain things as stipulated in the Restructuring Plan.

m. Without prejudice to the foregoing, the Company and the Plan Creditors (except the Lease creditors, Other unsecured creditors, Trade creditors and Intercompany creditors, as those terms are used), may agree to execute and deliver (or procure the execution and delivery of) such documentation as may be necessary under relevant law to record, amend and/or restate the terms and conditions governing each of the debts owed by the Company and/or its subsidiaries to the relevant Plan Creditor such that those terms and conditions are consistent and do not conflict with any of the terms of the Plan and the transactions contemplated hereby, including without limitation

44. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

one or more voluntary consent solicitations or mandatory exchange offers in accordance with applicable law, including, without limitation, the US$ Bonds term sheet and the documentation contemplated thereunder (the “Definitive Documentation”). An event of default may only arise under the Restructuring Plan and/or Definitive Documentation as a result of a breach of the express terms of the Restructuring Plan itself and not additional terms set out in any Definitive Documentation (excluding for the purposes of this provision, any and all Definitive Documentation relating to the US$ Bonds).

The Company, its relevant subsidiaries and the US$ Bondholders are in the process of entering into a term sheet with respect to the US$ Bonds, setting out certain terms on which the Company, its relevant subsidiaries and the US$ Bondholders expect to restructure the terms of the indebtedness owed (actually or contingently) by the Company and its relevant subsidiaries to the US$ Bondholders under the US$ Bonds outside of the PKPU proceedings pursuant to the separate documents implementing the restructuring of the actual and contingent indebtedness of the Company and its relevant subsidiaries to the US$ Bondholders. The terms and provisions of the US$ Bonds term sheet will be consistent with the provisions of this Restructuring Plan and the Company undertakes to enter into the US$ Bonds term sheet and any and all other documentation contemplated thereunder and to take all steps reasonably necessary to make such documentation effective as soon as practicable following the approval of this Restructuring Plan. The Restructuring Plan also governs requirements adhered to in the Definitive Documentation.

n. The Company and/or its subsidiaries shall be required to fulfill its obligations under this Agreement only insofar as such approvals and consents as may be necessary have been obtained (and have not been withdrawn or amended) from such regulatory or supervisory authorities as may be necessary, including without limitation the SGX, BEI, the Otoritas Jasa Keuangan (OJK) or the shareholders of the Company or of BULL, subsequent to the Plan being approved by the Court.

o. Upon the approval of the Restructuring Plan by the Plan Creditors and the Jakarta Court, any further amendment to the Restructuring Plan will be subject to approval by at least 50.0% in number and 66.7% in value of the aggregate outstanding debt of two classes (secured and unsecured) of Plan Creditors, at such time as such secured and unsecured Plan Creditors vote, provided, however, that:

- Any amendment purporting to include the MLA Lenders, ING Bank N.V. as a Plan Creditor (except by reason of the MLA Lenders, ING Bank N.V.) shall require the written consent of the MLA Lenders ING Bank N.V.;

- For so long as any amount of indebtedness remains owing to the MLA Lenders, any amendment to certain sections in the Plan shall require the written consent of the MLA Lenders;

- An amendment or waiver to certain sections in the Plan to the rights or obligations of the SBLC Bank, the earnings account of “Gas Bangka”, the earnings of “Gas Bangka” or of any security held by ING Bank N.V. to secure the SBLC Facility may not, so long as any actual or contingent liability remains under the SBLC Facility, be effected without the consent of ING Bank N.V.; and

- No amendment shall be made to the terms described in relation to the US$ Bondholders or to any other term which would affect any such other agreements and documents as are agreed between the Company and the US$ Bondholders without the specific written consent of the US$ Bondholders.

45. FINANCIAL INSTRUMENTS

a. Capital risk management

Since the ratification of the Restructuring Plan, the primary objective of the Group's capital risk management has been to ensure the availability of the Group's working capital to run its operations and restructuring initiatives in accordance with the Restructuring Plan.

The Group manages its capital structure and makes adjustments to it, to cope with the changes in economic conditions. Currently, the Group manages its capital by regularly monitoring its working capital requirements in accordance with the Restructuring Plan. As of December 31, 2013, the Group experienced negative working capital and capital deficiency. As such, the Group will continuously apply cost-cutting and restructuring initiatives to review and monitor its capital expenditure. The Group also intends to propose the issuance of new equity in the context of the Restructuring Plan in order to reduce the capital deficiency of the Company in the long run.

b. Categories of financial instruments

Financial assets

	December 31, 2013 US$'000	December 31, 2012 US$'000
Loans and receivables:		
Cash and cash equivalents	20,272	11,293
Restricted cash	9,168	19,045
Trade accounts receivable	17,809	52,968
Other receivables	6,439	9,225
Other non-current assets	307	323
AFS financial assets	62,601	34,302
Total	**116,596**	**127,156**

Financial liabilities

	December 31, 2013 US$'000	December 31, 2012 US$'000
Other financial liabilities:		
Short-term loans	-	48,923
Trade accounts payable	48,185	81,572
Accrued expenses	20,623	129,990
Loans payable	732,815	725,992
Bonds payable	224,887	138,573
Obligations under finance lease	213,278	255,943
Other payables	209,882	301,167
Convertible bonds	-	173,899
Notes payable	363,911	400,000
Dividends payable	-	552
Due to a related party	89,309	-
Provisions	7,113	-
Liabilities arising from termination of derivative financial instruments	-	126,468
Other current liabilities	7,108	3,051
Total	**1,917,111**	**2,386,130**

45. FINANCIAL INSTRUMENTS (continued)

b. Categories of financial instruments (continued)

Notes payable with a nominal value of US$400.0 million were designated at fair value through profit or loss (FVTPL) upon initial recognition in 2007. The change in fair value attributable to change in credit risk is determined as the residual of the change in fair value attributable to the change in market risk from the total change in fair value of the financial liabilities. The change in fair value attributable to its change in market risk was computed using the benchmark interest rates as of the end of the reporting period which resulted from the downgrade of the note payable's credit rating.

In 2012, notes payable were stated at amortized cost due to the Company's event of default, hence, such notes payable were adjusted to its redemption value. The Company also received early termination notice of financial instrument contracts, hence, liabilities related to the termination of derivative financial instrument contracts were presented based on claims and stated at amortized cost.

c. Financial risk management policies

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the operation and development of its business while managing its exposure to foreign exchange risk, interest rate risk, credit risk, fuel risk and liquidity risk. The Group's financial risk management policies are as follows:

Foreign exchange (non-functional currency) risk management

The entities in the Group conduct their respective businesses in currencies other than their functional currencies primarily in Rupiah, Singapore dollar, Japanese yen, Chinese Renminbi and Euro. Foreign currency exposures and fluctuations have material impact on the Group's consolidated financial statements.

The entities in the Group have the policy to manage foreign exchange risks so as to maximize profits. The Group has practices that include the periodic review of the impact of movements in foreign exchange rates on profitability so that the Group can take action to mitigate these risks. The significant financial monetary assets and liabilities in foreign currencies of the Group are as follows:

		2013		2012	
	Currency	Foreign currencies	Equivalent to US$	Foreign Currencies	Equivalent to US$
		US$'000	US$'000	US$'000	US$'000
Assets					
Cash and cash equivalents	Rp'000	843,557	68	18,955,348	1,961
	SGD	122,564	97	46,325	38
	JPY	5,682,570	54	3,163,522	37
	EUR	12,983	18	15,393	20
Trade accounts receivable	Rp'000	534,799	44	17,384,315	1,798
	SGD	3,833,821	3,028	101,858	83
	JPY	474,092	5	1,140,428	13
	EUR	846,152	1,168	1,253,374	1,660
AFS financial assets	Rp'000	290,000,000	23,792	-	-
Total			**28,274**		**5,610**

45. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Foreign exchange (non-functional currency) risk management (continued)

		2013		2012	
	Currency	Foreign currencies	Equivalent to US$	Foreign Currencies	Equivalent to US$
		US$'000	US$'000	US$'000	US$'000
Liabilities					
Trade accounts payable	Rp'000	2,754,104	226	32,336,480	3,344
	SGD	2,092,720	1,653	32,558,556	26,623
	JPY	241,526	2	278,613,125	3,226
	EUR	-	-	1,888,728	2,502
	RMB	-	-	301,900	48
Accrued expenses	Rp'000	-	-	638,712,816	66,051
	SGD	-	-	65,135	53
	JPY	-	-	144,183,162	1,667
	EUR	-	-	5,993	8
	RMB	-	-	28,560	5
Loans payable	Rp'000	339,061,289	32,247	1,124,724,698	116,311
	JPY	1,812,812,180	17,229	3,219,151,856	37,274
	SGD	1,391,485	1,099	-	-
Short-term loans	Rp'000	-	-	127,411,997	13,176
Bonds payable	Rp'000	1,029,915,248	84,495	1,339,999,788	138,573
Obligations under finance lease	JPY	16,413,727,166	155,994	22,104,450,214	255,943
Other payables	JPY	804,035,178	7,642	1,008,819,293	13,777
	GBP	5,266,000	8,682	5,735,148	9,237
	SGD	-	-	1,499,327	1,226
Dividends payable	Rp'000	-	-	5,338,898	552
Total			**309,269**		**689,596**

The summary of the carrying amounts of the Group's significant financial monetary assets and monetary liabilities denominated in currencies other than US$ as at reporting date is as follows:

	December 31, 2013		December 31, 2012	
	Assets	Liabilities	Assets	Liabilities
	US$'000	US$'000	US$'000	US$'000
Rupiah	23,904	116,968	3,759	338,007
Yen	59	180,867	50	311,887
Singapore dollar	3,125	2,752	121	27,902
Euro	1,186	-	1,680	2,510
GBP	-	8,682	-	9,237
RMB	-	-	-	53
Total	**28,274**	**309,269**	**5,610**	**689,596**

The following table details the Group's sensitivity analysis to changes in US$ against the above currencies. The sensitivity rates below are used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for the change in foreign currency exchange rates. A positive number below indicates an increase in profit and equity where the above currencies strengthen at certain percentage against the US$. For the same percentage of weakening of the above currencies against the US$, there would be an equal and opposite impact on profit and equity.

45. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

	For the Year Ended December 31, 2013		For the Year Ended December 31, 2012	
	Sensitivity rate	Effect on profit or loss and equity	Sensitivity rate	Effect on Profit or loss and equity
		US$'000		US$'000
Rupiah	6%	(5,584)	7%	(24,366)
Singapore dollar	4%	15	5%	(1,321)
Yen	7%	(12,656)	10%	(29,789)
Euro	5%	59	9%	(74)
GBP	6%	(521)	6%	(554)
RMB	-	-	6%	(3)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

Interest rate risks management

The Group is also exposed to interest rate risk as it also borrows funds in rupiah and US$ at floating interest rates. Pursuant to the Restructuring Plan, the Group does not enter borrowings not govern or permitted under the Restructuring Plan.

The sensitivity analyses below have been determined based on the exposure to interest rate changes as at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

The Group's significant exposure to the risk of changes in market interest rates relates primarily to bank loans from MLA. The following table summarizes the impact on income before income tax of reasonable movement in interest rates:

	2013		2012	
	Basis point	Effect on income before tax	Basis point	Effect on loss before tax
		US$'000		US$'000
Increase	50	(2,843)	50	2,452
Decrease	(50)	2,843	(50)	(2,452)

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instrument classified as fixed rate is fixed until the maturity of the instrument and is therefore not subject to interest rate risk.

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rate while enabling benefits to be enjoyed if interest rates fall.

Pursuant to the Restructuring Plan, the Group undertakes not to incur any further financial indebtedness or issue or give any guarantee or indemnity except as permitted by the Restructuring Plan or incurred in the ordinary course of trading of a vessel.

45. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Credit risk management

The Group's exposure to credit risk is primarily attributable to cash in banks, restricted cash, trade accounts receivables, other receivables, other financial assets and AFS financial assets. In determining the credit terms for customers, the management considers the following factors: (i) the financial strength of the customer, (ii) the customer's historical payment record, (iii) the length of the relationship with the customer and (iv) the distance or duration of a specific voyage. Based on these factors, the Group's credit terms may vary. The credit terms may also be modified based on negotiations with each customer. It is the Group's policy to monitor the financial standing of these receivables on an on-going basis to ensure that the Group is exposed to a minimal credit risk. Cash in banks and investments are placed only in credit worthy financial institutions.

The carrying amounts of the above-mentioned financial assets recorded in the consolidated financial statements represent the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Credit quality of financial assets

The credit quality of financial assets is managed by the Group using high quality and standard quality as internal credit ratings.

High Quality. Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal.

Standard Quality. Other financial assets not belonging to high quality financial assets are included in this category.

The credit quality of the Group's financial assets follows:

	December 31, 2013				
	Neither past due nor impaired				
	High quality	Standard quality	Past due but not impaired	Impaired	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash and cash equivalents	20,272	-	-	-	20,272
Restricted cash	9,168	-	-	-	9,168
Trade accounts receivable	5,209	-	12,600	9,981	27,790
Other receivables	-	6,439	-	-	6,439
AFS financial assets	-	62,601	-	-	62,601
Other non-current assets	-	307	-	-	307
Total	**34,649**	**69,347**	**12,600**	**9,981**	**126,577**

	December 31, 2012				
	Neither past due nor impaired				
	High quality	Standard quality	Past due but not impaired	Impaired	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash and cash equivalents	11,293	-	-	-	11,293
Restricted cash	19,045	-	-	-	19,045
Trade accounts receivable	27,930	-	25,038	2,854	55,822
Other receivables	-	9,225	-	-	9,225
AFS financial assets	-	34,302	-	-	34,302
Other non-current assets	-	323	-	-	323
Total	**58,268**	**43,850**	**25,038**	**2,854**	**130,010**

45. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Fuel risk management

The Group's earnings are affected by changes in the price of bunker fuel. The strategy for managing the risk on fuel price aims to provide its protection against sudden and significant increase in bunker fuel prices. In meeting these objectives, the fuel management program allows for the prudent use of approved instruments such as bunker swaps with approved counterparties and within approved credit limits.

As part of the Group's Restructuring Plan, the Group consistently monitors bunker consumption with ship managers and implement bunker savings controls such as bunker management software to track bunker consumption.

Liquidity risk management

The Group's liquidity requirements mainly come from repayments of interest on bank loans, notes payable, bonds and other payables. The liquidity problems faced by the Group failure to fulfill contractual obligations to make timely repayments of such debts.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date of which the Group can be required to pay. The table includes both interest and principal cash flows.

	December 31, 2013				
	Less than three months	Three months to one year	More than one year to five years	Greater than five years	Total
		US'000	US$'000	US$'000	US$'000
Trade accounts payable	48,185	-	-	-	48,185
Accrued expenses	20,623	-	-	-	20,623
Loans payable	27,654	3,431	386,560	497,766	915,411
Bonds payable	-	-	36,528	361,939	398,467
Obligations under finance lease	7,502	27,844	210,799	35,818	281,963
Other payables	47,642	4,538	19,900	283,773	355,853
Notes payable	-	-	23,622	536,518	560,140
Provisions	7,113	-	-	-	7,113
Due to a related party	-	-	-	89,309	89,309
Other current liabilities	7,108	-	-	-	7,108
Total	**165,827**	**35,813**	**677,409**	**1,805,123**	**2,684,172**

	December 31, 2012				
	Less than three months	Three months to one year	More than one year to five years	Greater than five years	Total
		US'000	US$'000	US$'000	US$'000
Short-term loans	48,923	-	-	-	48,923
Trade accounts payable	81,572	-	-	-	81,572
Accrued expenses	129,990	-	-	-	129,990
Loans payable	609,268	11,379	112,260	22,705	755,612
Bonds payable	138,573	-	-	-	138,573
Obligations under finance lease	7,292	27,000	210,746	100,981	346,019
Other payables	301,167	-	-	-	301,167
Convertible bonds	173,899	-	-	-	173,899
Notes payable	400,000	-	-	-	400,000
Dividends payable	552	-	-	-	552
Derivation financial instrument	126,468	-	-	-	126,468
Other current liabilities	3,051	-	-	-	3,051
Total	**2,020,755**	**38,379**	**323,006**	**123,686**	**2,505,826**

45. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Liquidity risk management (continued)

The Group manages liquidity risk by maintaining reserves, banking facilities, equity financing and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

On January 26, 2012, the Company decided to temporarily cease repayment of all the Company's bank loans, bonds payable, payment on ship leases and on similar obligations of its other subsidiaries, except for BULL, to enable the Group to review its financial position and arrangements (Note 44).

In March 2013, the Group's Restructuring Plan was ratified by the Court. Currently, the Restructuring Plan sets out the restructuring term sheet and repayment plans to respective creditors to finance and repay the debts. The repayment schedule of significant liabilities of the Group was restructured over a 10-year period (Note 44).

Equity price risk

The Group's investment in BULL is susceptible to market price risk arising from uncertainties about future trading price of the shares. As of reporting date, there were no movements in the trading price of BULL shares since it is still suspended on IDX.

Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities approximate their fair values. The quantitative disclosures of fair value measurement hierarchy of financial assets and liabilities are as follows:

	December 31, 2013 (Valuation date)			
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	US'000	US$'000	US$'000	US$'000
Financial assets				
Cash and cash equivalents	-	20,272	-	20,272
Restricted cash	-	9,168	-	9,168
Trade accounts receivable	-	17,809	-	17,809
Other receivables	-	6,439	-	6,439
Other non-current assets	-	307	-	307
AFS financial assets	23,791	-	38,810	62,601
Total	**23,791**	**53,995**	**38,810**	**116,596**
Financial liabilities				
Trade accounts payable	-	48,185	-	48,185
Accrued expenses	-	20,623	-	20,623
Loans payable	-	732,815	-	732,815
Bonds payable	-	224,887	-	224,887
Obligations under finance lease	-	213,278	-	213,278
Other payables	-	209,882	-	209,882
Notes payable	-	363,911	-	363,911
Due to a related party	-	89,309	-	89,309
Provisions	-	7,113	-	7,113
Other current liabilities	-	7,108	-	7,108
Total	**-**	**1,917,111**	**-**	**1,917,111**

45. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Fair value of financial instruments (continued)

	December 31, 2012 (Valuation date)			
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	US'000	US$'000	US$'000	US$'000
Financial assets				
Cash and cash equivalents	-	11,293	-	11,293
Restricted cash	-	19,045	-	19,045
Trade accounts receivable	-	52,968	-	52,968
Other receivables	-	9,225	-	9,225
Other non-current assets	-	323	-	323
AFS financial assets	-	-	34,302	34,302
Total	**-**	**92,854**	**34,302**	**127,156**
Financial liabilities				
Short-term loans	-	48,923	-	48,923
Trade accounts payable	-	81,572	-	81,572
Accrued expenses	-	129,990	-	129,990
Loans payable	-	725,992	-	725,992
Bonds payable	-	138,573	-	138,573
Obligations under finance lease	-	255,943	-	255,943
Other payables	-	301,167	-	301,167
Convertible bonds	-	173,899	-	173,899
Notes payable	-	400,000	-	400,000
Dividends payable	-	552	-	552
Liabilities arising from termination of derivative financial instruments	-	126,468	-	126,468
Other current liabilities	-	3,051	-	3,051
Total	**-**	**2,386,130**	**-**	**2,386,130**

The carrying values of cash and cash equivalents, restricted cash, trade accounts receivable, other receivables, other financial assets, trade accounts payable, dividends payable, accrued expenses and other current liabilities approximate their fair values because of their short-term nature. AFS financial assets are carried at fair value based on the quoted values of the securities. The fair value of unquoted AFS financial assets are determined using the valuation techniques and significant inputs disclosed in Notes 6. The carrying value of loans payable, bonds payable, convertible bonds, notes payable, obligations under finance lease and other payables are discounted using prevailing market interest rates with similar terms to these financial liabilities. Due to related parties is carried at cost and presented as non-current since it has no fixed repayment terms and non-interest bearing.

Fair value measurements are recognized in the consolidated statements of financial position. Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

45. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Fair value of financial instruments (continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

In 2013 and 2012, there were no transfers between Level 1 and 2 fair value measurements and no transfers into and out of Level 3 fair value measurement.

Reconciliation of fair value measurement for AFS financial assets:

	For the year ended December 31, 2013			
	BULL	SVL	NL	Total
	US'000	US$'000	US$'000	US$'000
Beginning balance	**-**	**-**	**34,302**	**34,302**
Reclassification	43,266	81,000	-	124,266
Creditor execution of pledged shares	(14,645)	-	-	(14,645)
Impairment loss	-	(52,001)	(24,491)	(76,492)
Foreign exchange loss	(4,830)	-	-	(4,830)
Ending balance	**23,791**	**28,999**	**9,811**	**62,601**

Collateral

The Group has restricted cash which serves as security for a standby letter of credit facility agreement (Notes 9 and 42). As of December 31, 2013 and 2012, the fair value of resticted cash amounted to US$9.2 million and US$19.0 million, respectively. The Group has pledged its investment in BULL to certain loans (Notes 6 and 21). As of December 31, 2013 and 2012, the fair value of investment BULL pledged amounted to US$23.8 million and US$43.5 million, respectively. The Group has also pledged all of its fixed assets vessels to various loans and obligations under finance lease (Notes 5, 21 and 25). As of December 31, 2013 and 2012, the fair value of fixed assets vessels pledged amounted to US$641.5 million and US$802.4 million, respectively.

46. NON-CASH TRANSACTIONS

The Group entered into non-cash investing and financing activities which are not reflected in the consolidated statements of cash flows, with details as follows:

- In 2013 and 2012, the Group sold fixed assets vessels for the payment of loans amounting to US$16.0 million and US$28.6 million, respectively.

- In 2013 and 2012, the creditors of the Group executed their right over the pledge in shares of stock of a subsidiary, in consideration for the payment of loans amounting to US$14.6 million and US$21.4 million, respectively, which were pledged as security to the loans.

- In 2013, the Group's Restructuring Plan was approved and ratified by the Court. Significant liabilities of the Group were restructured and the terms of the original agreements were modified in accordance with the Restructuring Plan. As a result, the Group recognized gain on restructuring of liabilities amounting to US$363.8 million.

46. NON-CASH TRANSACTIONS (continued)

- Pursuant to the Restructuring Plan, the Group deconsolidated one of its subsidiaries, BULL. Accordingly, all the assets, liabilities and non-controlling interest related to BULL were derecognized in the consolidated financial statements as disclosed in Note 6. The Group recognized loss on deconsolidation of subsidiaries amounting to US$37.2 million.

- The deconsolidation of BULL in 2013 did not affect the creditors' collateral over certain vessels of BULL which the Group provided as security for some of its loans. Thus, even after deconsolidation, the Group creditors were able to enforce their rights to sell the vessels of BULL in consideration for payment of loans of BLT Group amounting to US$5.3 million.

47. GOING CONCERN

The Group incurred negative working capital and capital deficiency amounting to US$64.9 million and US$1.1 billion in 2013 and US$1.9 billion and US$1.3 billion in 2012, respectively.

Since the global financial meltdown in 2010, the reduction in industrial production capabilities and oversupply of newly built vessels resulted in a reduction of freight volume and rates, ultimately throwing the global shipping industry in a state of turmoil. Under persistently poor shipping market conditions and increasing operating costs, the Group faced numerous challenges to run the business and to fulfil its financial obligations as it suffered recurring lossess ever since.

As such, on January 26, 2012, the Company declared a debt standstill on the payment of its financial obligations, including all the Company's bank loans, bonds payable, payment on vessels leases and on similar obligations of its other subsidiaries other than BULL to help assess impact of these events and to establish a financial reorganization of the Group. Following the debt standstill announcement, events of default were declared by creditors and one of the Company's creditors, Mandiri, filed PKPU to the Central Jakarta Commercial Court against the Company in relation to its debt on June 14, 2012.

On March 14, 2013, the Restructuring Plan was approved by the Company's creditors and ratified by the Central Jakarta Commercial Court on March 22, 2013 as described in Note 44. The Group is required to get the recognition in the United States of the Indonesian PKPU proceedings, pursuant to Chapter 15 of the United States Bankruptcy Code and Singapore Court. On May 21, 2013, the US Court granted recognition of the Indonesian PKPU proceedings as a foreign main proceedings.

Following the Group's restructuring efforts and ratification of the Restructuring Plan, the Group saw an improvement in its operational and financial performance as the Group realized a gross profit of US$38.7 million by the end of 2013. The Group also realized income for the year of US$281.8 million mainly coming from gain on debt restructuring, gain on extinguishment of debt and foregin exchange gains. Nevertheless, the Group continued to remain in a capital deficiency position due to the significant recurring losses over the past years.

Management recognizes that the Group's continuation as a going concern is dependent upon its ability to generate sufficient cash flows to meet its obligations on a timely basis, to comply with the terms and conditions of the Restructuring Plan and to attain successful operations to improve the position of the Company's capital deficiency. These conditions raise substantial doubt on the Group's ability to continue as a going concern. As part of its continuing efforts to respond to and manage the adverse effects of the above-mentioned economic and business conditions, the Group is undertaking and is continuously implementing the following measures, among others:

a. Implementation of the Restructuring Plan.

b. Maintenance of regular contact with all creditors who wish to know the status of the Group's capacity to service its debts and to execute the Restructuring Plan.

47. GOING CONCERN (continued)

c. Implementation of cost-cutting initiatives, such as the establishment of the Fleet Management Control department as an oversight to operational and crew expenditure of the vessels.

d. Continuous review of its capital expenditures, working closely with all Ship Managers to ensure the maintenance of the fleet is carried out efficiently.

e. Effect changes in its personnel to maintain an effective workforce for the future. Redundant departments and personnel will be streamlined in order to achieve a cohesive and productive team.

f. Focus on the execution of all MLA and PKPU definitive documentations.

Despite the current uncertain economic outlook, management believes that the Group will be able to fulfill its obligations under the Restructuring Plan, execute its strategies and manage its business and financial risks successfully. The Group's management also believes that the Group has adequate resources to continue in operational existence in the foreseeable future. Accordingly, the Group continues to adopt the going concern assumption in preparing the consolidated financial statements.

The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

48. EVENTS AFTER THE FINANCIAL REPORTING PERIOD

a. On January 21, 2014, the Company and its subsidiaries concluded a settlement agreement with Lantern Maritime Company (Lantern) and Pharos Maritime Company under the following terms and conditions:

   (i) Lantern and Chembulk Trading II agreed to amend the terms of the time charter relating to its vessel and extend the lease term by 12 years.

   (ii) Lantern, Universal Grace Limited (“UGL”), and the Company agreed that the amount owed from UGL (or the Company as guarantor) to Lantern under the Wilutama Bareboat Charter Party (BBCP) amounted to US$52.6 million.

   (iii) Lantern shall discontinue all ongoing legal proceedings against the Company or its subsidiaries arising out of or in connection with the Wilutama BBCP or the Chem Ranger term sheet.

b. On February 1, 2014, the Company along with PT Diamond Pacific International Corporation, BLT LNG Tangguh Corporation and Teekay BLT Corporation entered into a Settlement Agreement with Teekay Corporation, Teekay LNG Partners L.P. and Teekay Tangguh Holding Corporations with the following conditions:

   (i) The Company shall pay Teekay Corporation the amount of US$0.5 million on June 30, 2014 and December 31, 2014 as payments against sums due pursuant to the court order.

   (ii) The Company shall pay Teekay Tangguh Holdings Corporation the amount of US$0.5 million in satisfaction of the BLT Guarantee Fees due at the date of the agreement.

   (iii) Gandari Maritime Pte. Ltd., a subsidiary of the Company, irrevocably waives and releases BLT LNG Tangguh Corp. from all claims whatsoever with respect to the loan amounting to US$24.7 million.

   (iv) Teekay BLT Corp. shall declare and pay dividend in the amount of US$21.5 million as soon as reasonably practicable.

48. EVENTS AFTER THE FINANCIAL REPORTING PERIOD (continued)

(v) Teekay BLT Corp., BLT LNG Tangguh and the Company agreed that the part of the promissory Note Debt owed by the Company to Teekay BLT Corp with principal amount of US$3.6 million plus interest will be novated by the Company through transfer of debt owed by the Company to its subsidiary, BLT LNG effective immediately.

(vi) DPIC shall be entitled through a shareholder's resolution to remove all directors from the board of BLT LNG Tangguh and replace those directors with its nominees.

(vii) On February 1, 2014, Teekay BLT Corporation declared dividend of US$69.5 million, of which US$2.5 million will be paid in cash. The remaining dividend will be used to pay the advances to joint venturer.

c. On February 24, 2014, the Singapore High Court sanctioned the Schemes of Arrangement put forward by various subsidiaries of the Group which state that the total restructured trade debt being 80.0% of the total approved trade outstanding shall be treated as a loan to the Company which shall be repaid in equal monthly installments over 5 years with the first installment becoming payable on the 5th business day of the first calendar month following the effectivity of the Schemes of Arrangement. As of the reporting date, court proceedings related to the Schemes of Arrangement under Section 210 of the Companies Act were already completed and the repayment plan for trade creditors under these schemes commenced on May 7, 2014.

d. In the annual general shareholders' meeting which was held on March 19, 2014, the Company's shareholders appointed new members of the Board of Commissioners and the Board of Directors as follows:
(i) Mr. Hadi Surya as President Commissioner
(ii) Mr. Safzen Noerdin as Commissioner
(iii) Mr. Antonius Joenus Supit as Independent Commissioner
(iv) Mrs. Siana Anggraeni Surya as President Director
(v) Mr. Cosimo Borrelli as Director
(vi) Mr. Jason Aleksander Kardachi as Director

e. On April 24, 2014, in accordance with the terms under the Restructuring Plan, AMC Labuan and Chembulk Tankers LLC, subsidiary, pledged their investments in shares of BLT Chembulk Corp., BLT Chembulk Group Corp., and Chembulk Management Pte. Ltd. to DNB Bank ASA in accordance with a loan agreement obtained by GBSC.

f. On July 10, 2014, BLT's Board of Commissioners appointed Mr. Antonius Joenoes Supit as Chairman and Mr. Anthony Budiawan and Mr. Rodion Wikanto as members of the Audit Committee.

g. On August 20, 2014, a General Meeting of Bondholders ("RUPO") for Obligasi Berlian Laju Tanker IV Tahun 2009 ("Bond") was held to pass a decision to request for the conduct of an investigative audit on the Company in relation to the use of the bonds proceeds in 2009. As at reporting date, the above matter is still in its preliminary stage and management is unable to determine the final outcome of the process at this point in time.

h. Between February and August 2014, the existing MLA group of bank lenders sold all their debts to certain hedge funds. As of the reporting date, the MLA Lenders consist mainly of Spruce Investors Limited, SC Lowry Primary Investments Ltd., Bank of America N.A., York Global Finance BDH, LLC as majority lenders and 5 other hedge funds (individually <5%) as minority lenders.

49. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the consolidated financial statements that were completed on October 8, 2014.